



**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

**Joint Finance & Audit Committee Meeting
March 20, 2025 at 12:00 p.m.**

**ECIDA Offices
95 Perry Street, 4th Floor
Buffalo, New York 14203**

1. Approval of Minutes – January 8, 2025 (Action) (Pages 2-3)
2. Draft 2024 ECIDA Audited Financial Statements & Management Letter (Recommendation) (Pages 4-30)
3. Draft 2024 RDC Audited Financial Statements (Recommendation) (Pages 31-56)
4. Draft 2024 ILDC Audited Financial Statements (Recommendation) (Pages 57-78)
5. 2024 PAAA Annual Report (Recommendation) (Pages 79-133)
6. 2024 Investment Reports (Recommendation) (Pages 134-138)
7. ECIDA/RDC/ILDC Investment and Deposit Policy Re-Adoption (Recommendation) (Pages 139-146)
8. 2024 Finance & Audit Committee Self-Evaluation (Action) (Pages 147-151)
9. 2024 Management’s Assessment of Internal Controls (Information) (Pages 152-153)
10. Corporate Credit Card Usage Report (Information) (Page 154)
11. New Business (Information) (Pages 155-159)
12. Adjournment

**MINUTES OF A JOINT MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (ILDC)**

DATE AND PLACE: January 8, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203

PRESENT: Penny Beckwith, Patrick Boyle, Allison DeHoney, Thomas Emmerling, Glenn R. Nellis, Hon. Brian Nowak, Michael Szukala and William Witzleben

ABSENT: None.

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Brian Krygier, Director of Information Technology; Soma Hawramee, Compliance Portfolio Manager; Michelle Moore, Compliance Associate; Pat Smith, Bookkeeper; Atiqah Abidi, Accounting Manager; and Robert Murray, Esq., General Counsel/Harris Beach Murtha Cullina PLLC

GUESTS: Jenna Sheehan and Seth Hennard on behalf of Lumsden McCormick

There being a quorum present at 12:05 p.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Szukala.

MINUTES

The September 17, 2024 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis and seconded by Mr. Boyle, and after a vote was called for by Mr. Szukala, the September 17, 2024 minutes of the Finance and Audit Committee were unanimously approved.

LUMSDEN MCCORMICK 2024 AUDIT PLAN

Ms. Sheehan and Mr. Hennard from Lumsden McCormick provided members an overview of its ECIDA, RDC and ILDC 2024 audit plan and schedule. Mr. Szukala directed that the report be received and filed.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:34 p.m.

Dated: January 8, 2025

Elizabeth A. O'Keefe, Secretary

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 20, 2025

Members of the Finance & Audit Committees and Boards of Directors
Erie County Industrial Development Agency and related entities

We have audited the separate financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC), business-type activities (collectively, the Organizations) for the year ended December 31, 2024. Professional standards require that we advise you the following matters related to our audits.

Our Responsibility in Relation to the Financial Statement Audits

As communicated in our engagement letter dated January 6, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether each entity's financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audits of each entity's financial statements do not relieve you or management of their respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of each entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible to communicate significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you in the engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

Our audit planning and risk assessment identified management override of controls and improper revenue recognition as significant audit risks, both of which are presumptive risks in financial statement audits. Our audit procedures were designed to address these risks and no matters of concern were identified as a result of our procedures.

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Qualitative Aspects of the Organizations' Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organizations are included in Note 1 to each entity's financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting each entity's financial statements are:

- Establishing allowances for uncollectible loans
- Depreciable lives and methods
- Valuation of other assets
- Valuation of leases receivable and payable

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to each entity's financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We evaluated all disclosures in relation to each entity's financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audits

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We discovered no such misstatements during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No audit adjustments were made for the year ended December 31, 2024.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to each entity's financial statements or the auditors' report. No such disagreements arose during the course of the audits.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' reports. There were no modifications to the audit opinions.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matter.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our appointment as the Organizations' auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis that supplements the basic financial statements for each entity. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to each of the supplementary information accompanying the financial statements of each entity, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedules to determine that the information complies with accounting principles generally accepted in the United States of America, the methods of preparing them has not changed from the prior period, and the schedules are appropriate and complete in relation to our audits of the Organizations' financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance & Audit Committees, Board of Directors, and management of the Organizations. It is not intended to be and should not be used by anyone other than these specified parties.

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MANAGEMENT LETTER

March 20, 2025

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency and related entities

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, the Organizations), business-type activities, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

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**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Erie County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECIDA as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ECIDA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise ECIDA's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025 on our consideration of ECIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control over financial reporting and compliance.

March 20, 2025

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited)

December 31, 2024

Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, international trade assistance, land development, and other economic development services to the City of Buffalo (the City) and Erie County, New York (the County). In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County, or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

As a public benefit corporation, ECIDA is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, ECIDA is required to present management's discussion and analysis (MD&A) to assist readers in understanding ECIDA's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets - The balance sheets show the reader what ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). ECIDA's assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) can be one way to measure ECIDA's financial position. Over time, increases or decreases in ECIDA's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) Statements of Revenues, Expenses, and Changes in Net Position - This statement reports ECIDA's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ECIDA's operating results for the year.
- 3) Statements of Cash Flows - This statement reports ECIDA's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- ECIDA's net position decreased by 1% from \$20,140,000 in 2023 to \$20,026,000 in 2024.
- ECIDA experienced a decrease in net position of \$114,000 in 2024 compared to a decrease of \$498,000 in 2023.
- Administrative fees, a key source of revenue for ECIDA, increased 6% from \$1,750,000 in 2023 to \$1,862,000 in 2024.
- Operating expenses increased marginally from \$3,077,000 in 2023 to \$3,083,000 in 2024.

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Condensed Comparative Financial Statements

Balance Sheets at December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Assets					
Cash and investments	\$ 13,340	\$ 13,704	\$ (364)	(3%)	\$ 18,401
Receivables and other assets	11,066	11,234	(168)	(1%)	2,467
Capital assets, net	1,450	1,507	(57)	(4%)	1,166
Restricted cash and investments	11,528	9,777	1,751	18%	9,524
Total assets	37,384	36,222	1,162	3%	31,558
Liabilities					
Unearned revenue and other liabilities	\$ 5,462	\$ 5,741	\$ (279)	(5%)	\$ 958
Funds held on behalf of others	11,287	9,516	1,771	19%	9,318
Total liabilities	16,749	15,257	1,492	10%	10,276
Deferred inflows of resources – leases	609	825	(216)	(26%)	644
Net position					
Net investment in capital assets	1,065	985	80	8%	1,040
Restricted	11,239	11,116	123	1%	11,332
Unrestricted	7,722	8,039	(317)	(4%)	8,266
Total net position	20,026	20,140	(114)	(1%)	20,638
Total liabilities, deferred inflows, and net position	\$ 37,384	\$ 36,222	\$ 1,162	3%	\$ 31,558

Receivables and other assets include grants receivable, affiliate receivables, leases receivable, prepaid expenses, and venture capital investments. The decrease of \$168,000 is the result of decreases in affiliate receivables and leases receivable, offset by an increase in grants receivable. Affiliate receivables decreased \$248,000 as a result of repayments and leases receivable decreased \$216,000, consistent with the decrease in the corresponding deferred inflows of resources. Grants receivable increased \$346,000 due to two new grants totaling \$550,000 in 2024, net of grant receipts of \$204,000. The increase from 2022 to 2023 was the result of significant increases in grants receivable and affiliate receivables.

Restricted cash and investments consist primarily of funds held on behalf of others including the Erie County Regional Redevelopment Fund, Buffalo Brownfields Redevelopment Fund, and PILOT Increment Financing (PIF) funds. The \$1,751,000 or 18% increase from 2023 is primarily due to PILOT and PIF receipts of \$2,773,000 and interest of \$366,000 exceeding required disbursements to municipalities of \$912,000 and eligible project funds of \$456,000. Restricted cash and investments also include \$241,000 for the Railway Trust Fund, which decreased \$20,000 from 2023. The \$253,000, or 3%, increase in 2023 over 2022 was due to receipts in excess of required disbursements to municipalities.

The \$279,000 decrease in unearned revenue and other liabilities is due to decreases in unearned revenue of \$266,000 and lease payable of \$136,000, combined with an increase in accounts payable and accrued expenses of \$122,000. Unearned revenue is offset by grants receivable and is recognized as special project revenue as eligible activities are performed. ECIDA's lease for office space is in effect through July 2027, and the lease payable represents the present value of remaining lease payments through the end of the lease. The increase from 2022 to 2023 was due to increases in unearned revenue, lease payable, and accounts payable.

ECIDA has capitalized the initial present value of future lease receipts as a lease receivable and corresponding deferred inflow of resources. The lease receivable is reduced as cash is received and the deferred inflow of resources is recognized as rental income over the term of the lease contract. The \$216,000 or 26% decrease in deferred inflows of resources related to leases is due to the reduction as monthly lease payments from leaseholders are recognized.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Operating revenues:					
Administrative fees	\$ 1,862	\$ 1,750	\$ 112	6%	\$ 1,656
Affiliate management fees	321	287	34	12%	466
Rental and other	493	475	18	4%	438
Total operating revenues	2,676	2,512	164	7%	2,560
Operating expenses:					
Salaries and benefits	2,230	2,035	195	10%	1,999
General and administrative	611	794	(183)	(23%)	687
Depreciation, amortization, and other	242	248	(6)	(2%)	260
Total operating expenses	3,083	3,077	6	0%	2,946
Special project grants:					
Revenues	1,130	518	612	118%	966
Expenses	(1,212)	(855)	(357)	42%	(896)
Total special project grants	(82)	(337)	255	(76%)	70
Operating loss	(489)	(902)	413	(46%)	(316)
Nonoperating revenue (expense), net	375	404	(29)	(7%)	88
Change in net position	\$ (114)	\$ (498)	\$ 384	(77%)	\$ (228)

Revenue Analysis

Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatement are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$112,000 or 6% in 2024 primarily due to an increase in the value of induced projects. Administrative fees were collected related to 11 different projects in 2024, down from 22 in 2023. In 2022, administrative fees were collected related to 25 projects.

Affiliate management fees represent salaries and overhead costs charged to ECIDA affiliates for services that ECIDA's employees provide to these organizations. ECIDA's affiliates include Buffalo & Erie County Regional Development Corporation (RDC), a lending corporation, and Buffalo & Erie County Industrial Land Development Corporation (ILDC), a land development corporation. Affiliate management fees increased \$34,000 in 2024 due to an increase in salaries and chargeable hours.

Rental and other income is primarily comprised of rental income for building leases and rental income from the Port Terminal Facility.

Expense Analysis

Salaries and benefits increased \$195,000, or 10%, in 2024 due to employee raises, increased employee benefit costs, and a staff of 18 for the entire year. In 2023, salaries and benefits increased \$36,000 from 2022 due to employee raises and an employee hired in December 2023.

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General and administrative expenses decreased \$183,000 from \$794,000 in 2023 to \$611,000 in 2024 primarily due to 2023 refunds of \$176,000 for previously recognized administrative fee revenue. No such refunds were necessary in 2024. In 2023, general and administrative expenses increased \$107,000 primarily due to the previously mentioned refunds.

The net special project grant loss of \$337,000 in 2023 decreased to a net loss of \$82,000 in 2024. In 2024, grant expenses exceeded grant revenues due to carrying costs related to ILDC properties of \$136,000 and other grants totaling \$200,000 from the Agency's Urban Development Action Grant (UDAG) fund. In 2023, grant expenses also exceeded grant revenues due to carrying costs for ILDC properties and UDAG grants for which there was no corresponding revenue.

Net nonoperating revenue decreased \$29,000 in 2024 due to a loss of \$100,000 recorded related to a prior venture capital investment. Interest income of \$499,000 was offset by \$24,000 of interest expense related to ECIDA's office lease. In 2023, net nonoperating revenue increased \$316,000.

Budget Analysis

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 25, 2023. The following table presents an analysis of ECIDA's performance compared to the approved 2024 budget.

<i>in thousands</i>	Actual	Budget	Variance	
			\$	%
Operating revenues:				
Administrative fees	\$ 1,862	\$ 1,800	\$ 62	3%
Affiliate management fees	321	342	(21)	(6%)
Rental and other	493	492	1	0%
Total operating revenues	2,676	2,634	42	2%
Operating expenses:				
Salaries and benefits	2,230	2,328	(98)	(4%)
General and administrative	611	560	51	9%
Depreciation, amortization, and other	242	287	(45)	(16%)
Total operating expenses	3,083	3,175	(92)	(3%)
Operating loss before special project grants	(407)	(541)	134	(25%)
Special project grants:				
Revenues	1,130	2,740	(1,610)	(59%)
Expenses	(1,212)	(2,757)	1,545	(56%)
Total special project grants	(82)	(17)	(65)	382%
Nonoperating revenue, net	375	159	216	136%
Change in net position	\$ (114)	\$ (399)	\$ 285	(71%)

Budget to Actual Analysis

Overall, ECIDA's decrease in net position for 2024 was below the budgeted decrease by \$285,000. Administrative fees exceeded the budgeted amount by 3% due mainly to timing of tax incentive project closings and an increase in the value of induced projects. Total operating expenses were \$92,000 below budget mostly due to lower salaries and benefits than budgeted. Net special project grants had a negative variance of \$65,000. Nonoperating revenue includes interest income on cash deposits and was \$216,000 greater than expected.

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Economic Factors Impacting ECIDA

ECIDA relies extensively upon administrative fees to generate the majority of its annual revenue. As a result of current uncertain economic conditions and potential legislative/board actions, ECIDA's ability to generate the administrative fees necessary to support operations may be limited in the future.

Requests for Information

This financial report is designed to provide a general overview of ECIDA's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ECIDA at (716) 856-6525. General information relating to ECIDA can be found at its website, www.ecidany.com.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash	\$ 5,341,088	\$ 13,704,390
Investments	7,998,626	-
Receivables		
Affiliates	4,571,775	4,819,703
Grants	5,214,764	4,869,218
Leases	226,584	215,555
Other	185,231	134,930
Prepaid expenses	78,000	78,600
	<u>23,616,068</u>	<u>23,822,396</u>
Noncurrent assets:		
Leases receivable	382,699	609,283
Capital assets, net (Note 4)	1,450,212	1,506,504
Other assets	406,247	506,886
Restricted cash	4,988,292	9,777,101
Restricted investments	6,540,143	-
	<u>13,767,593</u>	<u>12,399,774</u>
	<u>\$ 37,383,661</u>	<u>\$ 36,222,170</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 407,694	\$ 304,991
Lease liability	143,295	136,321
Accrued expenses	169,642	150,339
Unearned revenue	4,498,758	4,764,541
	<u>5,219,389</u>	<u>5,356,192</u>
Noncurrent liabilities:		
Lease liability	242,026	385,321
Funds held on behalf of others	11,287,296	9,516,218
	<u>11,529,322</u>	<u>9,901,539</u>
Deferred inflows of resources:		
Deferred inflows of resources related to leases	609,283	824,838
Net position:		
Net investment in capital assets	1,064,891	984,862
Restricted	11,238,692	11,116,183
Unrestricted	7,722,084	8,038,556
	<u>20,025,667</u>	<u>20,139,601</u>
	<u>\$ 37,383,661</u>	<u>\$ 36,222,170</u>

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2024	2023
Operating revenues:		
Administrative fees	\$ 1,862,096	\$ 1,749,882
Affiliate management fees	320,692	286,799
Rental income	330,275	316,002
Other	162,814	159,191
Total operating revenues	<u>2,675,877</u>	<u>2,511,874</u>
Operating expenses:		
Salaries and benefits	2,229,704	2,035,058
General and administrative	611,530	794,392
Depreciation and amortization	240,534	204,228
Other	1,341	43,207
Total operating expenses	<u>3,083,109</u>	<u>3,076,885</u>
Operating loss before special project grants	<u>(407,232)</u>	<u>(565,011)</u>
Special project grants:		
Revenues	1,130,308	517,991
Expenses	<u>(1,212,254)</u>	<u>(855,228)</u>
	<u>(81,946)</u>	<u>(337,237)</u>
Operating loss	<u>(489,178)</u>	<u>(902,248)</u>
Nonoperating revenues:		
Interest income	498,869	412,432
Interest expense	<u>(22,986)</u>	<u>(8,499)</u>
Decrease in fair value of other assets	<u>(100,639)</u>	<u>-</u>
	<u>375,244</u>	<u>403,933</u>
Change in net position	<u>(113,934)</u>	<u>(498,315)</u>
Net position - beginning	<u>20,139,601</u>	<u>20,637,916</u>
Net position - ending	<u>\$ 20,025,667</u>	<u>\$ 20,139,601</u>

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

For the years ended December 31,	2024	2023
Operating activities:		
Cash from fees and rental income	\$ 2,192,371	\$ 2,065,884
Cash from special project grants	518,979	413,850
Cash received from (paid to) other sources	681,133	(3,926,256)
Payments to employees, suppliers, and other	(2,719,969)	(2,595,467)
Payments for special project grants	(1,212,254)	(855,228)
Net operating activities	(539,740)	(4,897,217)
Capital and related financing activities:		
Purchases of capital assets	(184,242)	(11,643)
Principal payments on leases	(136,321)	(137,252)
Interest payments on leases	(22,986)	(8,499)
Interest received on leases	36,347	43,976
Net capital and related financing activities	(307,202)	(113,418)
Investing activities:		
Change in restricted cash, net	6,559,887	(54,284)
Purchase of investments	(14,538,769)	-
Interest received	462,522	368,456
Net investing activities	(7,516,360)	314,172
Net change in cash	(8,363,302)	(4,696,463)
Cash - beginning	13,704,390	18,400,853
Cash - ending	\$ 5,341,088	\$ 13,704,390
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (489,178)	\$ (902,248)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	240,534	204,228
Changes in other assets and liabilities:		
Receivables	(147,919)	(8,597,281)
Prepaid expenses	600	10,719
Accounts payable	102,703	267,988
Accrued expenses	19,303	(1,517)
Unearned revenue	(265,783)	4,120,894
Net operating activities	\$ (539,740)	\$ (4,897,217)

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Erie County Industrial Development Agency (ECIDA) was created in 1970 by an act of the Legislature of the State of New York (the State) for the purpose of encouraging financially sound companies to establish themselves and prosper in Erie County (the County).

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and job retention for businesses and individuals which improves the quality of life for the residents of the region.

Basis of Presentation

The financial statements of ECIDA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

In evaluating how to define ECIDA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in ECIDA's reporting entity is based on accounting standards which consider legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no additional entities included in ECIDA's financial statements.

Measurement Focus

ECIDA reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. ECIDA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ECIDA's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest and investment income, interest expense, and grants resulting from nonexchange transactions. Grants are recognized as receivable and unearned revenue at the time awarded and as revenue when all eligibility requirements imposed by the provider have been satisfied. ECIDA receives special project grants from various Federal, State, and County sources.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Investments

Cash management is governed by State laws and as established by ECIDA's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

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Custodial credit risk is the risk that, in the event of a bank failure, ECIDA's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024 and 2023, ECIDA's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in ECIDA's name.

Investments consist of U.S. Treasury Bills with original maturities in excess of three months.

Capital Assets

Capital assets are recorded at cost. Financed right-to-use lease assets are recorded at the present value of the initial lease liability. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

Rental Property:

In 1989, ECIDA developed a public warehouse and trans-shipment facility (the Port Terminal Facility) at the Gateway Metroport facility in the City of Lackawanna. The Port Terminal Facility provides enclosed storage facilities and materials handling services for the trans-shipment of goods by water, rail, and truck. The facility is owned by ECIDA and is operated by Gateway Trade Center, Inc. Port Terminal Facility rental property assets are fully depreciated. ECIDA receives a percentage of annual Excess Cash Flow, as defined, from the operations at the Port Terminal Facility.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party (Note 6).

Other Assets

Other assets include venture capital investments made by ECIDA in order to spur local economic growth. Venture capital investments are recorded at the lesser of cost or fair market value as determined by management's estimates based on available financial information.

Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities. Restrictions are imposed by the U.S. Department of Housing and Urban Development's Urban Development Action Grant (UDAG) program.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by ECIDA.

Tax Incentive Transactions

ECIDA maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within Erie County. Under this program, ECIDA may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. ECIDA simultaneously leases the property under a lease agreement to the company undertaking the project (lessee). ECIDA receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement.

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ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ECIDA receives bond issuance fees from the borrower for providing this service which is recognized according to the terms of the fee agreement. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. At December 31, 2024 and 2023, previously issued bonds have an aggregate outstanding balance of \$439,614,859 and \$574,130,953, none of which is recognized as a liability of ECIDA.

ECIDA received bond administrative fees from ILDC of \$337,000 in 2024 and \$10,000 in 2023.

2. Special Project Grants

Bethlehem Shoreline Enhancement – ECIDA received a grant from New York State Department of State in the amount of \$122,825 in June 2020 to support the construction and administration of Shoreline Trail enhancements on the former Bethlehem Steel property.

Bethlehem Water and Sewer Design – ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering, construction, and administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. The grant was increased to \$750,000 in May 2024.

Bethlehem Railroad Relocation – ECIDA received a grant from Erie County in the amount of \$600,000 in June 2023 to support the relocation of rail infrastructure at the former Bethlehem Steel Property.

Buffalo Southern Railroad – ECIDA received a \$1,703,553 grant from New York State Department of Transportation (NYSDOT) in January 2023, a \$250,000 grant from Erie County in July 2023.

Buffalo Southern Railroad Capital Improvements – ECIDA received a \$400,000 grant from Erie County in April 2024 to support the restoration of five bridges and seven miles of track on the Buffalo Southern Railroad.

DL&W Lancaster Industrial Track Improvement – ECIDA received a \$1,616,470 grant from NYSDOT in April 2023 and a \$250,000 grant from Erie County in September 2023 to support the restoration of the DL&W Lancaster Industrial Track.

DL&W Railroad Bridge Repair – ECIDA received a \$150,000 grant from Erie County in April 2024 to support safety and efficiency improvements of the DL&W Railroad.

The following is a summary of grants receivable at December 31:

	2024	2023
Bethlehem Shoreline Enhancement	\$ 51,804	\$ 92,119
Bethlehem Water and Sewer Design	192,797	356,936
Buffalo Southern Railroad - 2017 PFRAP Rail Improvement	140	140
Bethlehem Railroad Relocation	600,000	600,000
Buffalo Southern Railroad	1,953,553	1,953,553
Buffalo Southern Railroad Capital Improvements	400,000	-
DL&W Lancaster Industrial Track Improvement	1,866,470	1,866,470
DL&W Railroad Bridge Repair	150,000	-
	<u>\$ 5,214,764</u>	<u>\$ 4,869,218</u>

The following is a summary of unearned revenue at December 31:

	2024	2023
Bethlehem Shoreline Enhancement	\$ 23,910	\$ 77,652
Bethlehem Water and Sewer Design	92,835	267,335
Bethlehem Railroad Relocation	234,380	600,000
Buffalo Southern Railroad	1,854,989	1,953,084
Buffalo Southern Railroad Capital Improvements	292,542	-
DL&W Lancaster Industrial Track Improvement	1,850,102	1,866,470
DL&W Railroad Bridge Repair	150,000	-
	<u>\$ 4,498,758</u>	<u>\$ 4,764,541</u>

3. Funds Held on Behalf of Others

ECIDA holds funds for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

	2024	2023
Erie County Regional Redevelopment Fund	\$ 1,686,281	\$ 1,624,407
Buffalo Brownfields Redevelopment Fund	37,213	236,191
Jemal's Seneca Fund	1,365,072	794,606
Seneca Street Corridor Fund	3,524,959	3,086,042
Main Street Improvement Fund	4,673,771	3,774,972
	<u>\$ 11,287,296</u>	<u>\$ 9,516,218</u>

Restricted cash and investments also includes \$241,139 and \$260,883 as of December 31, 2024 and 2023, respectively, for the Railway Trust Fund for activities related to two Erie County shortline railroads.

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4. Capital Assets

	Balance January 1, 2024	Increases	Retirements/ Reclassifications	Balance December 31, 2024
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,109,345	165,855	-	1,275,200
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	481,788	18,387	(21,628)	478,547
Total depreciable assets	<u>4,338,622</u>	<u>184,242</u>	<u>(21,628)</u>	<u>4,501,236</u>
Less accumulated depreciation:				
Land improvements	(964,733)	(46,618)	-	(1,011,351)
Buildings	(2,098,550)	(36,043)	-	(2,134,593)
Furniture and equipment	(456,856)	(12,583)	21,628	(447,811)
Total accumulated depreciation	<u>(3,520,139)</u>	<u>(95,244)</u>	<u>21,628</u>	<u>(3,593,755)</u>
Total depreciable assets, net	<u>818,483</u>	<u>88,998</u>	<u>-</u>	<u>907,481</u>
Right-to-use lease assets:				
Building	532,728	-	-	532,728
Accumulated amortization	(12,107)	(145,290)	-	(157,397)
Total right-to-use assets, net	<u>520,621</u>	<u>(145,290)</u>	<u>-</u>	<u>375,331</u>
	<u>\$ 1,506,504</u>	<u>\$ (56,292)</u>	<u>\$ -</u>	<u>\$ 1,450,212</u>
	Balance		Retirements/ Reclassifications	Balance
	January 1, 2023	Increases		December 31, 2023
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,109,345	-	-	1,109,345
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	470,145	11,643	-	481,788
Total depreciable assets	<u>4,326,979</u>	<u>11,643</u>	<u>-</u>	<u>4,338,622</u>
Less accumulated depreciation:				
Land improvements	(934,700)	(30,033)	-	(964,733)
Buildings	(2,062,507)	(36,043)	-	(2,098,550)
Furniture and equipment	(441,423)	(15,433)	-	(456,856)
Total accumulated depreciation	<u>(3,438,630)</u>	<u>(81,509)</u>	<u>-</u>	<u>(3,520,139)</u>
Total depreciable assets, net	<u>888,349</u>	<u>(69,866)</u>	<u>-</u>	<u>818,483</u>
Right-to-use lease assets:				
Building	737,415	532,728	(737,415)	532,728
Accumulated amortization	(626,803)	(122,719)	737,415	(12,107)
Total right-to-use assets, net	<u>110,612</u>	<u>410,009</u>	<u>-</u>	<u>520,621</u>
	<u>\$ 1,166,361</u>	<u>\$ 340,143</u>	<u>\$ -</u>	<u>\$ 1,506,504</u>

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5. Related Party Transactions

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. Costs allocated to ILDC are subject to available funding sources; no such costs were charged in 2023. ECIDA earned \$320,692 and \$286,799 in affiliate management fees for the years ended December 31, 2024 and 2023. Management fees and receivables by affiliate are as follows:

	Management Fees		Receivables	
	2024	2023	2024	2023
RDC	\$ 300,991	\$ 286,799	\$ 322,042	\$ 300,328
ILDC	19,701	-	4,249,733	4,519,375
	<u>\$ 320,692</u>	<u>\$ 286,799</u>	<u>\$ 4,571,775</u>	<u>\$ 4,819,703</u>

In 2024 and 2023, ECIDA provided ILDC with \$2,113,970 and \$4,477,770 to temporarily finance various projects. These funds are periodically repaid when ILDC receives reimbursement from grant sources.

In 2024 and 2023, Erie County provided \$28,555 and \$129,000, respectively, to ECIDA as a subrecipient of Community Development Block Grant funds. These funds were then transferred to ILDC for its Erie County BDF loan program. These amounts are included in special project grant revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

6. Leases

ECIDA, as lessee, entered into a non-cancelable lease for office space through July 31, 2027 and recognized a right-to-use lease asset at the present value of the initial lease liability using a discount rate of 5%. The lease requires annual minimum payments of \$159,307 and utility charges that are determined on an annual basis. Principal and interest due in 2025 total \$143,295 and \$16,012, respectively.

ECIDA entered into a sublease agreement with Buffalo Urban Development Corporation for a portion of their office space through July 31, 2027. ECIDA recognized \$23,940 and \$24,291 in gross rental income, including interest at 5.0%, in 2024 and 2023. Annual receipts are expected to total \$21,046, plus utilities, through 2027.

ECIDA, as lessor, has entered into a non-cancelable lease for its former office through July 31, 2027. ECIDA recognized \$231,700 in gross rental income, including interest at 5.0%, in both 2024 and 2023. Annual receipts are expected to total \$230,856, plus utilities, through 2027.

7. Pension

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2024 and 2023, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contributing to the plan for the years ended December 31, 2024 and 2023 amounted to \$193,741 and \$177,368 respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

8. Risk Management

ECIDA purchases commercial insurance for various risks of loss due to torts, theft, damage, injuries to employees, and natural disasters in addition to insurance purchased to indemnify directors and officers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

9. Commitments and Contingencies

Grants

ECIDA receives financial assistance from federal, state, and local agencies in the form of grants and fiduciary agreements. Managing these funds generally requires compliance with the terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Disallowed claims resulting from such audits could become a liability of ECIDA. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

ECIDA is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of ECIDA.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Combining Balance Sheets

December 31, 2024

	General Account	UDAG Account	Total
Assets			
Current assets:			
Cash	\$ 2,751,671	\$ 2,589,417	\$ 5,341,088
Investments	3,999,364	3,999,262	7,998,626
Receivables			
Affiliates	354,822	4,216,953	4,571,775
Grants	5,214,764	-	5,214,764
Leases	226,584	-	226,584
Other	158,418	26,813	185,231
Prepaid expenses	78,000	-	78,000
	<u>12,783,623</u>	<u>10,832,445</u>	<u>23,616,068</u>
Noncurrent assets:			
Leases receivable	382,699	-	382,699
Capital assets, net	1,450,212	-	1,450,212
Other assets	-	406,247	406,247
Restricted cash	4,988,292	-	4,988,292
Restricted investments	6,540,143	-	6,540,143
	<u>13,361,346</u>	<u>406,247</u>	<u>13,767,593</u>
	<u>\$ 26,144,969</u>	<u>\$ 11,238,692</u>	<u>\$ 37,383,661</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 407,694	\$ -	\$ 407,694
Lease payable	143,295	-	143,295
Accrued expenses	169,642	-	169,642
Unearned revenue	4,498,758	-	4,498,758
	<u>5,219,389</u>	<u>-</u>	<u>5,219,389</u>
Noncurrent liabilities:			
Lease payable	242,026	-	242,026
Funds held on behalf of others	11,287,296	-	11,287,296
	<u>11,529,322</u>	<u>-</u>	<u>11,529,322</u>
Deferred inflows of resources:			
Deferred inflows of resources related to leases	609,283	-	609,283
Net position:			
Net investment in capital assets	1,064,891	-	1,064,891
Restricted	-	11,238,692	11,238,692
Unrestricted	7,722,084	-	7,722,084
	<u>8,786,975</u>	<u>11,238,692</u>	<u>20,025,667</u>
	<u>\$ 26,144,969</u>	<u>\$ 11,238,692</u>	<u>\$ 37,383,661</u>

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2024

	General Account	UDAG Account	Total
Operating revenues:			
Administrative fees	\$ 1,862,096	\$ -	\$ 1,862,096
Affiliate management fees	320,692	-	320,692
Rental income	330,275	-	330,275
Other	162,814	-	162,814
Total operating revenues	<u>2,675,877</u>	<u>-</u>	<u>2,675,877</u>
Operating expenses:			
Salaries and benefits	2,229,704	-	2,229,704
General and administrative	571,005	40,525	611,530
Depreciation and amortization	240,534	-	240,534
Other	1,341	-	1,341
Total operating expenses	<u>3,042,584</u>	<u>40,525</u>	<u>3,083,109</u>
Operating loss before special project grants	<u>(366,707)</u>	<u>(40,525)</u>	<u>(407,232)</u>
Special project grants:			
Revenues	855,858	274,450	1,130,308
Expenses	(876,035)	(336,219)	(1,212,254)
	<u>(20,177)</u>	<u>(61,769)</u>	<u>(81,946)</u>
Operating loss	<u>(386,884)</u>	<u>(102,294)</u>	<u>(489,178)</u>
Nonoperating revenues:			
Interest income	274,066	224,803	498,869
Interest expense	(22,986)	-	(22,986)
Decrease in fair value of other assets	(100,639)	-	(100,639)
	<u>150,441</u>	<u>224,803</u>	<u>375,244</u>
Change in net position	<u>(236,443)</u>	<u>122,509</u>	<u>(113,934)</u>
Net position - beginning	<u>9,023,418</u>	<u>11,116,183</u>	<u>20,139,601</u>
Net position - ending	<u>\$ 8,786,975</u>	<u>\$ 11,238,692</u>	<u>\$ 20,025,667</u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Erie County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year December 31, 2024, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ECIDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ECIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ECIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 20, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Erie County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and we have issued our report thereon dated March 20, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that ECIDA failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ECIDA's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 20, 2025

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**BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION**

SINGLE AUDIT REPORTING PACKAGE

DECEMBER 31, 2024

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise RDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RDC as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RDC's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise RDC's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025 on our consideration of RDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RDC's internal control over financial reporting and compliance.

March 20, 2025

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis (Unaudited)

December 31, 2024

Buffalo and Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of Erie County (the County) by establishing a revolving loan fund (RLF). The U.S. Department of Commerce Economic Development Administration (EDA) is the oversight body of one of RDC's RLFs. A Loan Administration Plan (LAP) that outlines RDC's lending processes and goals is approved by EDA every five years. The EDA released its federal interest in RDC's Legacy (original) RLF during 2021. In 2020, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, EDA awarded \$5 million to Erie County Industrial Development Agency (ECIDA) to capitalize a new RLF, which ECIDA sub-granted to RDC to administer.

As a special-purpose government engaged in business-type activities, RDC is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, RDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding RDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of RDC as of and for the years ended December 31, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with RDC's audited financial statements.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets – The balance sheets show the reader what RDC owns (assets and deferred outflows of resources) and what RDC owes (liabilities and deferred inflows of resources). RDC's assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) can be one way to measure RDC's financial position. Over time, increases or decreases in RDC's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) Statements of Revenues, Expenses, and Changes in Net Position – These statements report RDC's operating and nonoperating revenues by major sources along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure RDC's operating results for the year.
- 3) Statements of Cash Flows – These statements report RDC's cash flows from operating and investing activities.

Financial Highlights

- RDC's net position increased from \$22,681,000 in 2023 to \$22,941,000 in 2024.
- RDC experienced an increase in net position of \$260,000 in 2024 compared to an increase of \$506,000 in 2023.
- Operating revenues decreased 14% from \$673,000 in 2023 to \$580,000 in 2024.
- Operating expenses increased 60% from \$324,000 in 2023 to \$520,000 in 2024.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Assets					
Cash	\$ 5,766	\$ 4,287	\$ 1,479	34%	\$ 5,461
Investments	3,020	-	3,020	N/A	-
Prepaid expenses	3	-	3	N/A	-
Loans receivable, net	14,476	18,709	(4,233)	(23%)	17,104
Total assets	\$ 23,265	\$ 22,996	\$ 269	1%	\$ 22,565
Liabilities					
Accounts payable	\$ 2	\$ 2	\$ -	-	\$ 2
Due to affiliate	322	300	22	7%	291
Unearned revenue	-	13	(13)	(100%)	97
Total liabilities	324	315	9	3%	390
Net position					
Restricted	4,616	4,603	13	-	4,555
Unrestricted	18,325	18,078	247	1%	17,620
Total net position	22,941	22,681	260	1%	22,175
Total liabilities and net position	\$ 23,265	\$ 22,996	\$ 269	1%	\$ 22,565

RDC's cash balance increased 34% or \$1,479,000 primarily due several large loans being repaid ahead of schedule, combined with a lower level of loan disbursements in 2024. The cash decrease from \$5,461,000 in 2022 to \$4,287,000 in 2023 was a result of loan disbursements in excess of loans collected. Year over year cash fluctuations correspond with changes in loans receivable. RDC invested in U.S. Treasury Bills of \$3,020,000 in 2024 to earn higher yields on idle cash.

Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable decreased \$4,233,000 or 23% from 2023 to 2024, due to \$4,998,000 of principal repayments and a \$161,000 increase to the allowance, net of \$926,000 of new loans closed during 2024. The increase in loans receivable from \$17,104,000 in 2022 to \$18,709,000 in 2023 was due to loans disbursed in 2023.

Due to affiliate reflects the amount due to ECIDA under a shared services agreement for personnel and overhead at the end of the year. The \$22,000 increase in due to affiliate from 2023 to 2024 is due to increases to the hourly rates of ECIDA employees and the number of hours dedicated to RDC activities. The increase in amounts due to affiliate from \$291,000 in 2022 to \$300,000 in 2023 was also reflective of an increase in hourly rates.

Unearned revenue reflects a portion of the CARES Act sub-grant funds received that were not spent as of the end of the year. The \$13,000 or 100% decrease from 2023 to 2024 is due to recognition of the remaining grant revenue in 2024.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Operating revenues:					
Interest from loans	\$ 576	\$ 652	\$ (76)	(12%)	\$ 536
Loan commitment fees	4	21	(17)	(81%)	19
Total operating revenues	580	673	(93)	(14%)	555
Operating expenses:					
General and administrative	\$ 359	\$ 351	\$ 8	2%	\$ 331
Provision for uncollectible loans (recoveries)	161	(27)	188	(696%)	(88)
Total operating expenses	520	324	196	60%	243
Operating income	60	349	(289)	(83%)	312
Nonoperating revenues					
Interest income	187	73	114	156%	13
Grant contributions	13	84	(71)	(85%)	97
Total nonoperating revenues	200	157	43	27%	110
Change in net position	\$ 260	\$ 506	\$ (246)	(49%)	\$ 422

Revenue Analysis

Interest from loans is collected from borrowers in accordance with the terms of each promissory note. RDC loans bear interest at rates ranging from 1.0% to 5.5%, in accordance with the Loan Administration Plan provisions in effect at the time the loan is approved. Interest from loans decreased \$76,000, or 12%, from 2023 to 2024 because of the decrease in loans receivable. Interest increased from \$536,000 in 2022 to \$652,000 in 2023 due to an increase in loans receivable and higher interest rates of recent loans.

Loan commitment fees are generally charged on loans greater than \$100,000. Commitment fees vary from year to year depending on individual loan amounts. In 2024, there were four loans that incurred commitment fees of \$4,000. In 2023 there were four loans that incurred commitment fees of \$21,000. In 2022 there were six loans that incurred commitment fees of \$19,000.

Expense Analysis

In 2024, general and administrative expenses increased \$8,000 from \$351,000 to \$359,000. The increase is mainly attributable to an increase in the ECIDA management fee. In 2023, RDC incurred higher legal costs associated with specific loans and performed targeted marketing of the loan funds. General and administrative expenses increased \$20,000 from 2022 to 2023 primarily due to the aforementioned increases in legal and marketing costs.

Provision for uncollectible loans consists of the amount of loan loss expense in a year, net of any recoveries for loans previously written off. In 2024, the net expense is due to increases in the allowance of \$161,000. No loans were written off in 2024. In 2023 there was no provision for uncollectible loans, however there was a reduction of \$27,000 in the reserve. In addition, two loans totaling \$105,000 were written off in 2023.

Grant contributions relate directly to amounts granted from ECIDA under the CARES Act RLF established in 2022. In 2024, \$13,000 of administrative costs were charged to this grant, compared to \$84,000 in 2023 and \$97,000 in 2022.

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Budget to Actual Analysis for the year ended December 31, 2024:

RDC prepares an annual budget which was presented and approved by the Board of Directors on October 25, 2023. The following table presents an analysis of RDC's performance compared to the approved 2024 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenues:				
Interest from loans	\$ 576	\$ 720	\$ (144)	(20%)
Loan commitment fees	4	14	(10)	(71%)
Total operating revenues	580	734	(154)	(21%)
Operating expenses:				
General and administrative	\$ 359	\$ 389	\$ (30)	(8%)
Provision for uncollectible loans (recoveries)	161	350	(189)	(54%)
Total operating expenses	520	739	(219)	(30%)
Operating income (loss)	60	(5)	65	(1,300%)
Nonoperating revenues				
Interest and other income	187	23	164	713%
Grant contributions	13	-	13	100%
Total nonoperating revenues	200	23	177	770%
Change in net position	\$ 260	\$ 18	\$ 242	1,344%

Overall, RDC exceeded its budgeted increase in net position for 2024 by \$242,000. Total operating revenue was \$154,000, or 21%, below budget due to lower than anticipated interest income from loans in 2024. Total expenses were \$219,000, or 30%, below budget. This was due mainly to the lower than expected reserve for loan losses. Nonoperating revenue outpaced the budget by \$177,000, or 770%, due to higher yields realized on investments in 2024.

Economic Factors Impacting RDC

RDC relies upon loan interest income to generate revenue for continued operations. As a result of economic conditions and borrowers' ability to repay, RDC's ability to generate the income necessary to support operations may be limited in the future.

Requests for Information

This financial report is designed to provide a general overview of RDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of RDC at (716) 856-6525. General information relating to RDC can be found on ECIDA's website, www.ecidany.com.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash	\$ 5,766,406	\$ 4,287,457
Investments	3,019,806	-
Prepaid expenses	2,500	-
Loans receivable (Note 2)	3,200,448	3,856,264
	<u>11,989,160</u>	<u>8,143,721</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	<u>11,275,861</u>	<u>14,852,212</u>
	<u>\$ 23,265,021</u>	<u>\$ 22,995,933</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 1,814	\$ 2,041
Due to affiliate (Note 3)	322,042	300,328
Unearned revenue	-	12,509
	<u>323,856</u>	<u>314,878</u>
Net position:		
Restricted	4,615,947	4,603,316
Unrestricted	18,325,218	18,077,739
	<u>22,941,165</u>	<u>22,681,055</u>
	<u>\$ 23,265,021</u>	<u>\$ 22,995,933</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2024	2023
Operating revenues:		
Interest from loans	\$ 576,778	\$ 652,208
Loan commitment fees	4,050	21,250
Total operating revenues	<u>580,828</u>	<u>673,458</u>
Operating expenses:		
General and administrative	359,450	351,680
Provision for uncollectible loans (recoveries), net	160,953	(27,196)
Total operating expenses	<u>520,403</u>	<u>324,484</u>
Operating income	<u>60,425</u>	<u>348,974</u>
Nonoperating revenues:		
Interest income	187,176	72,599
Grant contributions	12,509	84,596
Total nonoperating revenues	<u>199,685</u>	<u>157,195</u>
Change in net position	260,110	506,169
Net position - beginning	<u>22,681,055</u>	<u>22,174,886</u>
Net position - ending	<u>\$ 22,941,165</u>	<u>\$ 22,681,055</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Cash Flows

For the years ended December 31,	2024	2023
Operating activities:		
Payments collected on loans receivable	\$ 4,997,214	\$ 2,871,575
Loan interest and fees	580,828	673,458
Loans awarded	(926,000)	(4,450,000)
Payments to vendors and affiliates	(340,463)	(342,116)
Bad debt recoveries	-	1,211
Net operating activities	4,311,579	(1,245,872)
Investing activities:		
Purchase of investments	(3,019,806)	-
Interest income	187,176	72,599
Net investing activities	(2,832,630)	72,599
Change in cash	1,478,949	(1,173,273)
Cash - beginning	4,287,457	5,460,730
Cash - ending	\$ 5,766,406	\$ 4,287,457
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 60,425	\$ 348,974
Adjustments to reconcile operating income to net cash flows from operating activities:		
Provision for uncollectible loans	160,953	(25,985)
Changes in other assets and liabilities:		
Loans receivable	4,071,214	(1,578,425)
Prepaid expenses	(2,500)	-
Accounts payable	(227)	525
Due to affiliate	21,714	9,039
	\$ 4,311,579	\$ (1,245,872)

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Buffalo and Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of the County of Erie (the County) by establishing an Industrial Revolving Loan Fund from which RDC makes loans to individual companies. RDC manages two revolving loan programs maintained under agreements or established loan administration plans approved by the grantor governing the management of the revolving loan program.

RDC has related party relationships with Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Industrial Land Development Corporation (ILDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and retention for businesses and individuals which improves the quality of life for the residents of the region.

In accordance with accounting standards, RDC is not considered a component unit of another entity.

Basis of Presentation

The financial statements of RDC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus

RDC reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. RDC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

RDC's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services, including interest earned on revolving loan funds, and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include RDC's interest income from deposits and grants resulting from nonexchange transactions. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Investments

Cash management is governed by New York State (the State) laws and as established by RDC's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

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Custodial credit risk is the risk that, in the event of a bank failure, RDC's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024, RDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in RDC's name.

Investments include U.S. Treasury Bills with original maturities in excess of three months that are stated at fair value on a recurring basis as determined by quoted prices in active markets.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the allowance for uncollectible loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Management provides for probable uncollectible amounts through a charge to expenses and a credit to a valuation allowance based on its assessment of the current status of individual accounts, historical trends, and reasonable forecasts. Loans are written off through a charge to the valuation allowance and a credit to loans receivable after management has used reasonable collection efforts, and no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

Net Position

Net position consists of two components:

- *Restricted* – consists of restricted assets reduced by related liabilities. Restrictions are imposed by external organizations such as federal or state laws.

- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the restricted component of net position and therefore are available for general use.

Income Taxes

Although the financial statements are required to be reported as a governmental entity, RDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

2. Loans Receivable

The legacy revolving loan program was originally established through multiple grants received between 1979 and 1983 from the U.S. Economic Development Administration (EDA) amounting to \$7,000,000. Matching funds totaling \$5,250,500 were also received from various sources. The EDA released its federal interest in the legacy revolving loan fund (RLF) as of September 30, 2021 through the Reinvigorating Lending for the Future Act, due to the RLF operating satisfactorily for at least seven years beyond the disbursement of grant funds.

During 2020, RDC was awarded an EDA grant (passed through ECIDA) totaling \$5,415,694 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to establish the CARES Act RLF to assist the region in response to the COVID-19 pandemic. Loan terms include one year interest-free, one year of interest-only payments, and then principal payments begin in the third year. Unearned revenue totaled \$12,509 at December 31, 2023. There was no remaining unearned revenue at December 31, 2024.

Loans awarded to local businesses bear interest at rates ranging from 1% to 5.5% with varying repayment terms. The following is a summary of loans receivable:

	2024	2023
Current status	\$ 15,031,262	\$ 19,102,476
Less allowance	554,953	394,000
	14,476,309	18,708,476
Less current portion	3,200,448	3,856,264
	\$ 11,275,861	\$ 14,852,212

Following is a summary of the activity in the allowance for uncollectible loans:

	2024	2023
Balance, beginning of year	\$ 394,000	\$ 524,886
Additions charged to operations	160,953	-
Reduction in allowance	-	(130,886)
	\$ 554,953	\$ 394,000

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Scheduled maturities for the next five years and thereafter are as follows:

	Principal	Interest
2025	\$ 3,200,448	\$ 486,937
2026	3,064,571	382,172
2027	2,963,620	279,864
2028	1,949,579	194,108
2029	1,423,290	127,198
Thereafter	2,429,801	123,820
	<u>\$ 15,031,309</u>	<u>\$ 1,594,099</u>

3. Related Party Transactions

ECIDA allocates a portion of its personnel and overhead costs to RDC based on a cost allocation plan. Costs allocated by ECIDA and included in general and administrative expenses amounted to \$300,991 and \$286,799 for the years ended December 31, 2024 and 2023. Amounts owed to ECIDA at December 31, 2024 and 2023 totaled \$322,042 and \$300,328, respectively.

4. Contingencies

Grants

RDC receives financial assistance from government agencies in the form of grants. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of RDC. Based on prior experience, management expects such amounts, if any, to be immaterial.

5. Commitments

Outstanding loan commitments approved but not yet paid totaled \$2,000,000 at December 31, 2024.

RDC has approved a line of credit to a local business totaling \$100,000 with interest at 3%. At December 31, 2024, \$18,300 is outstanding with \$81,700 available to be disbursed.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Balance Sheet

December 31, 2024

	Legacy Account	CARES Act Account	Total
Assets			
Current assets:			
Cash	\$ 3,870,666	\$ 1,895,740	\$ 5,766,406
Investments	3,019,806	-	3,019,806
Prepaid expenses	2,500	-	2,500
Loans receivable	2,364,886	835,562	3,200,448
	<u>9,257,858</u>	<u>2,731,302</u>	<u>11,989,160</u>
Noncurrent assets:			
Loans receivable, net	9,335,838	1,940,023	11,275,861
	<u>9,335,838</u>	<u>1,940,023</u>	<u>11,275,861</u>
	<u>\$ 18,593,696</u>	<u>\$ 4,671,325</u>	<u>\$ 23,265,021</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 1,814	\$ -	\$ 1,814
Due to affiliate	266,664	55,378	322,042
	<u>268,478</u>	<u>55,378</u>	<u>323,856</u>
Net position:			
Restricted	-	4,615,947	4,615,947
Unrestricted	18,325,218	-	18,325,218
	<u>18,325,218</u>	<u>4,615,947</u>	<u>22,941,165</u>
	<u>\$ 18,593,696</u>	<u>\$ 4,671,325</u>	<u>\$ 23,265,021</u>

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2024

	Legacy Account	CARES Act Account	Total
Operating revenues:			
Interest from loans	\$ 532,343	\$ 44,435	\$ 576,778
Loan commitment fees	2,500	1,550	4,050
Total operating revenues	534,843	45,985	580,828
Operating expenses:			
General and administrative	291,676	67,774	359,450
Provision for uncollectible loans (recoveries), net	160,953	-	160,953
Total operating expenses	452,629	67,774	520,403
Operating income (loss)	82,214	(21,789)	60,425
Nonoperating revenues:			
Interest income	165,265	21,911	187,176
Grant contributions	-	12,509	12,509
Total nonoperating revenues	165,265	34,420	199,685
Change in net position	247,479	12,631	260,110
Net position - beginning	18,077,739	4,603,316	22,681,055
Net position - ending	\$ 18,325,218	\$ 4,615,947	\$ 22,941,165

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Schedule of Expenditures of Federal Awards

For the year ended December 31, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Commerce:</u>			
Passed through Erie County Industrial Development Agency			
COVID-19 - Economic Adjustment Assistance	11.307	01-79-15022	\$ 5,113,099

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs administered by Buffalo and Erie County Regional Development Corporation (RDC), an entity as defined in Note 1 to RDC's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the SEFA.

Expenditures are calculated as required by the Uniform Guidance or the applicable program and do not constitute actual program disbursements. All expenditures reported on the SEFA represent revolving loan programs.

The COVID-19 Economic Adjustment Assistance program, administered by the EDA, specifically requires the amount on the SEFA to be calculated as follows:

Cash	\$ 1,895,740
Balance of loans outstanding	3,149,585
Administrative expenses	67,774
Loan write-offs	-
	<hr/>
	5,113,099
Total EDA share	100%
	<hr/>
	\$ 5,113,099

Basis of Accounting

RDC uses the accrual basis of accounting for each federal program, consistent with the financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with RDC's financial reporting system.

Indirect Costs

RDC has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance. Furthermore, RDC has not received Federal awards that include indirect cost reimbursement for the year ended December 31, 2024.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise RDC's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control. Accordingly, we do not express an opinion on the effectiveness of RDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 20, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of RDC's major federal programs for the year ended December 31, 2024. RDC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RDC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of RDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RDC's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RDC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RDC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RDC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RDC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 20, 2025

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs

For the year ended December 31, 2024

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program of Cluster</u>	<u>Assistance Listing Number</u>	<u>Amount</u>
COVID-19 - Economic Adjustment Assistance	11.307	<u>\$ 5,113,099</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and we have issued our report thereon dated March 20, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that RDC failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding RDC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 20, 2025

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**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

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Independent Auditors' Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ILDC as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ILDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ILDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise ILDC's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025 on our consideration of ILDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ILDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control over financial reporting and compliance.

March 20, 2025

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Management's Discussion and Analysis (Unaudited)

December 31, 2024

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC is considered a component unit of the County. ILDC also manages a microenterprise revolving loan program on behalf of the County.

As a special-purpose government engaged in business-type activities, ILDC is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, ILDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding ILDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ILDC as of and for the years ended December 31, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2024 the ILDC continued to move forward in developing Renaissance Commerce Park in Lackawanna, New York, and the Erie County Agribusiness Park in Evans, New York. ILDC completed work on public water and sewer lines at Renaissance Commerce Park and began design work for two new roads and the relocation of a railyard. The Erie County Agribusiness Park Master Plan and Generic Environmental Impact Statement was completed in 2024, and design work began on the access road for the property. Erie County continued to market the Microenterprise Loan/Grant Program.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Balance Sheets** – The balance sheets show the reader what ILDC owns (assets and deferred outflows of resources) and what ILDC owes (liabilities and deferred inflows of resources). ILDC's assets and deferred outflows of resources less its liabilities and deferred inflows of resources (net position) can be one way to measure ILDC's financial position. Over time, increases or decreases in ILDC's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – These statements report ILDC's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ILDC's operating results for the year.
- 3) **Statements of Cash Flows** – These statements report ILDC's cash flows from operating, capital and related financing, and investing activities, if any.

Financial Highlights

- ILDC's net position decreased by 2% from \$7,586,000 in 2023 to \$7,407,000 in 2024.
- ILDC experienced a decrease in net position of \$179,000 in 2024 compared to an increase of \$236,000 in 2023.
- Operating revenues increased 1,303% from \$35,000 in 2023 to \$491,000 in 2024.
- Operating expenses increased 94% from \$288,000 in 2023 to \$560,000 in 2024.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Assets					
Cash	\$ 3,684	\$ 418	\$ 3,266	781%	\$ 1,265
Grants receivable	6,414	9,191	(2,777)	(30%)	10,212
Loans receivable, net	352	485	(133)	(27%)	520
Prepaid expenses	-	-	-	N/A	32
Capital assets, net	175	179	(4)	(2%)	-
Land held for sale	6,472	6,875	(403)	(6%)	6,867
Total assets	\$ 17,097	\$ 17,148	\$ (51)	-	\$ 18,896
Liabilities					
Accounts payable	\$ 67	\$ 880	\$ (813)	(92%)	\$ 824
Due to affiliate	4,250	4,519	(269)	(6%)	180
Unearned revenue	5,373	4,163	1,210	29%	10,572
Total liabilities	9,690	9,562	128	1%	11,576
Net position					
Net investment in capital assets	175	179	(4)	(2%)	-
Restricted	518	540	(22)	(4%)	608
Unrestricted	6,714	6,867	(153)	(2%)	6,742
Total net position	7,407	7,586	(179)	(2%)	7,350
Total liabilities and net position	\$ 17,097	\$ 17,148	\$ (51)	-	\$ 18,926

ILDC's cash balance increased 781% or \$3,266,000 in 2024, after a decrease of 67% or \$847,000 in 2023. The increase was due to a \$2,900,000 balance in a grant-related bank account at the end of 2024 that did not exist in 2023, along with cash inflows of \$549,000 from a land sale in December. The prior year decrease was primarily due to the use of cash for land development activity.

Grants receivable decreased 30% or \$2,777,000 due to grant receipts from Empire State Development and the U.S. Department of Commerce Economic Development Administration (EDA) during the year and coincides with the increase in cash. There was one new grant of \$2,500,000 recognized as grants receivable and unearned revenue in 2024. In 2023, there was a decrease of 10% or \$1,021,000 due mainly to receipts from the EDA and Erie County.

Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Net loans receivable decreased \$133,000 from 2023 to 2024. There was one new loan for \$35,000 and principal payments of \$121,000 received in 2024, combined with a provision for uncollectible loan expense of \$47,000. The uncollectible loan expense is largely due to loans that are partially forgiven as certain requirements are met. There was a \$35,000 decrease in net loans receivable from 2022 to 2023.

Capital assets consist mainly of an entrance sign at Renaissance Commerce Park in Lackawanna, New York. The sign was constructed and installed in 2023, causing an increase in net capital assets. The decrease in 2024 is reflective of depreciation.

Land held for sale consists of 143 acres of land at Renaissance Commerce Park in Lackawanna, New York and 238 acres of land at the former Angola Airport site in Evans, New York. In connection with its economic development purpose, ILDC is working with several partners to return these underutilized properties to productive use. The \$403,000 decrease in land held for sale from 2023 to 2024 is due to the sale of 10 acres at Renaissance Commerce Park. The \$8,000 increase from 2022 to 2023 reflected additional capitalizable costs incurred.

The \$813,000 decrease in accounts payable from 2023 to 2024 and the \$56,000 increase from 2022 to 2023 is primarily due to special project construction-related payables outstanding at the end of 2023.

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The \$269,000 or 6% decrease in the total due to affiliate (ECIDA) from 2023 to 2024 is primarily due to the repayment of \$2,375,000 from ECIDA related to land development activities and projects, combined with \$2,114,000 of new funds borrowed. Additional repayment will be made when grant funds are received. The \$4,339,000 increase from 2022 to 2023 was a result of \$4,478,000 borrowed in 2023.

Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$1,210,000 increase from 2023 to 2024 is due to the award of one new grant offset by the recognition of revenue related to grants. The decrease from 2022 to 2023 was due to the recognition of revenue related to grants and no new grants.

Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Operating revenue:					
Administrative fee revenue	\$ 338	\$ 11	\$ 327	2,973%	\$ 191
Gain (loss) on land held for sale	124	-	124	N/A	(181)
Interest from loans and other	29	24	5	21%	13
Total revenue	491	35	456	1,303%	23
Operating expenses:					
Transfer to ECIDA	357	28	329	1,175%	282
General, administrative, and depreciation	156	71	85	120%	192
Provision for uncollectible loans (recoveries)	47	189	(142)	(75%)	483
Total operating expenses	560	288	272	94%	957
Operating loss before special project grants	(69)	(253)	184	(73%)	(934)
Special project grants:					
Grant revenue	1,469	6,748	(5,279)	(78%)	2,038
Grant expense	(1,579)	(6,259)	(4,680)	75%	(1,617)
Total special project grants	(110)	489	(599)	(122%)	421
Change in net position	\$ (179)	\$ 236	\$ (415)	(176%)	\$ (513)

Revenue Analysis

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are not obligations of ILDC or the County. ILDC receives bond issuance fees from borrowers for providing this service. ILDC has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. In 2024 there was one bond issuance, which was the cause of the increase in fees from 2023. In 2023 there were no bond issuances, resulting in a decrease from 2022.

ILDC sells rehabilitated land as part of its economic development activities. When the sale price of land is greater than the book cost (including land improvements), a gain is recognized, and when the sale price is less than the book cost, a loss is recognized. There was one land sale in 2024, and the sale proceeds were greater than the cost of land to ILDC. There were no land sales in 2023.

The \$5,000 increase in interest from loans and other revenue from 2023 to 2024 is due mainly to income from the lease of a parcel owned by ILDC. The increase from 2022 to 2023 was due mainly to an increase in loan interest from microenterprise fund loans.

Expense Analysis

The amount transferred to ECIDA each year under the shared services agreement consists of administrative fees for bond issuances plus charges from ECIDA for personnel and overhead. Charges for personnel and overhead are derived from ECIDA employee hours charged for ILDC-related projects. The \$329,000 increase from 2023 to 2024 related to one ILDC bond fee of \$338,000 being transferred during the year. The decrease from 2022 to 2023 was due to no bond issuances in 2023 and a decrease in ECIDA employee hours charged.

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In 2024, general, administrative, and depreciation expenses increased \$85,000 from \$71,000 to \$156,000, due mainly to increases in legal costs and special district taxes on owned properties. General, administrative, and depreciation expenses decreased \$121,000 from 2022 to 2023 due to decreases in legal and consulting costs and one-time reclassifications of certain other expenses.

Most of the loans made under the microenterprise loan program are forgivable loans, which may provide up to 50% of loan forgiveness if certain criteria are met. The decrease of \$142,000 in the provision for uncollectible loans from 2023 to 2024 reflects fewer forgivable loans awarded in 2024 as compared to 2023. There were no loans forgiven during 2024. There was a decrease in the provision for uncollectible loans of \$294,000 from 2022 to 2023.

Grant revenue decreased \$5,279,000 to \$1,469,000 in 2024, from \$6,748,000 in 2023. This was primarily due to \$1,194,000 of grant revenue recognized for sewer construction reimbursable costs at Renaissance Commerce Park in 2024, compared to \$5,199,000 in 2023. The increase from 2022 to 2023 also related to grant revenue in 2023 for sewer construction.

Grant expenses relate directly to the costs involved with certain projects undertaken by the ILDC and can vary from year to year based on activity. There was a \$4,680,000 decrease in grant expenses from 2023 to 2024 due to an decrease in grant-eligible project expenses discussed above. Most grant expenses are related to the Renaissance Commerce Park project (see Note 3 to the financial statements for additional detail). The increase from 2022 to 2023 also related to projects at Renaissance Commerce Park.

Budget Analysis

ILDC prepares an annual budget which was presented and approved by the Board of Directors on October 25, 2023. The following table presents an analysis of ILDC's performance compared to the approved 2024 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenue:				
Administrative fee revenue	\$ 338	\$ -	\$ 338	N/A
Gain (loss) on land held for sale	124	(250)	374	(150%)
Interest from loans and other	29	19	10	53%
Total revenue	491	(231)	722	(313%)
Operating expenses:				
Transfer to ECIDA	357	24	333	1,388%
General, administrative, and depreciation	156	87	69	79%
Provision for uncollectible loans (recoveries)	47	105	(58)	(55%)
Total operating expenses	560	216	344	159%
Operating loss before special project grants	(69)	(447)	378	(85%)
Special project grants:				
Grant revenue	1,469	5,074	(3,605)	(71%)
Grant expense	(1,579)	(5,210)	3,631	(70%)
Total special project grants	(110)	(136)	26	(19%)
Change in net position	\$ (179)	\$ (583)	\$ 404	(69%)

Overall, ILDC's decrease in net position for 2024 was below the budgeted decrease by \$404,000. Total revenue was \$722,000, or 313%, above budget due to a property sale and bond issuance in 2024. Total expenses were \$344,000, or 159%, above budget. Most of the variance is due to the transfers to ECIDA being higher than expected as a result of the bond issuance. Grant revenue was \$3,605,000 lower than budget, while grant expenses were \$3,631,000 lower than budget.

Economic Factors Impacting ILDC

ILDC relies upon land sales to generate revenue for continued operations, as well as grant revenue from Erie County and other economic development partners to defray the costs associated with land development. As a result of current uncertain economic conditions, ILDC's ability to generate the income necessary to support operations may be limited in the future.

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Requests for Information

This financial report is designed to provide a general overview of ILDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ILDC at (716) 856-6525. General information relating to ILDC can be found on ECIDA's website, www.ecidany.com.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash	\$ 3,683,965	\$ 417,701
Grants receivable (Note 3)	6,413,558	9,191,179
Loans receivable (Note 2)	119,677	123,071
	<u>10,217,200</u>	<u>9,731,951</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	232,565	362,312
Capital assets	184,285	184,285
Accumulated depreciation	(9,726)	(5,192)
Land held for sale (Note 4)	6,472,145	6,875,104
	<u>6,879,269</u>	<u>7,416,509</u>
	<u>\$ 17,096,469</u>	<u>\$ 17,148,460</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 67,342	\$ 880,331
Due to affiliate (Note 5)	4,249,733	4,519,375
Unearned revenue (Note 3)	5,372,594	4,163,198
	<u>9,689,669</u>	<u>9,562,904</u>
Net position:		
Net investment in capital assets	174,559	179,093
Restricted	517,721	539,928
Unrestricted	6,714,520	6,866,535
	<u>7,406,800</u>	<u>7,585,556</u>
	<u>\$ 17,096,469</u>	<u>\$ 17,148,460</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2024	2023
Operating revenues:		
Administrative fees	\$ 337,513	\$ 11,200
Gain on land held for sale	124,258	-
Interest from loans and other	28,760	24,061
Total operating revenues	<u>490,531</u>	<u>35,261</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	356,714	28,194
General and administrative	151,483	69,047
Provision for uncollectible loans	46,880	189,048
Depreciation	4,534	2,267
Total operating expenses	<u>559,611</u>	<u>288,556</u>
Operating loss before special project grants	(69,080)	(253,295)
Special project grants:		
Special project grant revenue	1,469,378	6,747,957
Special project grant expense	(1,579,054)	(6,258,765)
Total special project grants	<u>(109,676)</u>	<u>489,192</u>
Change in net position	(178,756)	235,897
Net position - beginning	<u>7,585,556</u>	<u>7,349,659</u>
Net position - ending	<u>\$ 7,406,800</u>	<u>\$ 7,585,556</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Statements of Cash Flows

For the years ended December 31,	2024	2023
Operating activities:		
Administrative fees	\$ 337,513	\$ 11,200
Receipts from (payments to) Erie County Industrial Development Agency	(626,356)	4,311,459
Principal and interest on loans and other	150,021	179,225
Loans awarded	(35,000)	(280,000)
Proceeds from sale of land	548,900	-
Purchase of land held for sale	(21,683)	(7,951)
Payments to vendors	(1,024,127)	(850,727)
Special project grant receipts	5,456,395	1,360,084
Special project grant disbursements	(1,519,399)	(5,389,444)
Net operating activities	3,266,264	(666,154)
Capital and related financing:		
Purchases of capital assets	-	(181,360)
Cash - beginning	417,701	1,265,215
Cash - ending	\$ 3,683,965	\$ 417,701
Reconciliation of change in net position to net cash flows from operating activities:		
Change in net position	\$ (178,756)	\$ 235,897
Adjustments to reconcile change in net position to net cash flows from operating activities:		
Gain on land held for sale	(124,258)	-
Provision for uncollectible loans	(46,880)	(189,048)
Depreciation	4,534	2,267
Changes in other assets and liabilities:		
Grants receivable	2,777,621	1,020,893
Loans receivable	180,021	253,260
Prepaid expenses	-	31,500
Land held for sale	527,217	(7,951)
Accounts payable	(812,989)	56,141
Due to affiliate	(269,642)	4,339,653
Unearned revenue	1,209,396	(6,408,766)
Net operating activities	\$ 3,266,264	\$ (666,154)

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC manages a microenterprise revolving loan program which is dedicated to improving economic conditions in the County.

ILDC has related party relationships with Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and job retention for businesses and individuals which improves the quality of life for the residents of the region.

In accordance with accounting standards, ILDC is considered a component unit of the County. The County, acting by and through the County Executive, is the sole member of ILDC and is financially accountable for it; as a result, ILDC is included in the financial statements of the County as a discretely presented component unit.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus

ILDC reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. ILDC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ILDC's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services, including interest earned on revolving loan funds, and payments made to purchase those goods or services or special project grants whose purpose aligns with the primary mission of ILDC. Grants receivable and unearned revenue are recognized at the time awarded and are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied. ILDC receives special project grants from various Federal, State, and County governments.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Investments

Cash management is governed by New York State (the State) laws and as established by ILDC's written policies. Cash must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

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Custodial credit risk is the risk that, in the event of a bank failure, ILDC's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024, ILDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in ILDC's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the allowance for uncollectible loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Management provides for probable uncollectible amounts through a charge to expenses and a credit to a valuation allowance based on its assessment of the current status of individual accounts, historical trends, and reasonable forecasts. Loans are written off through a charge to the valuation allowance and a credit to loans receivable after management has used reasonable collection efforts, and no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

Capital Assets

Capital assets are recorded at cost. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets and deferred outflows of resources reduced by related liabilities. Restrictions are imposed by external organizations such as federal or state laws and include amounts maintained in the Erie County Business Development Fund (Erie County BDF) (Note 2).
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the restricted component of net position and therefore are available for general use.

Tax-Exempt Bond Transactions

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ILDC receives administrative fees from the borrower for providing bond issues which are recognized according to the terms of the fee agreement. ILDC also has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. At December 31, 2024, previously issued bonds have an aggregate outstanding principal amount payable of \$337,249,793, none of which is recognized as a liability of ILDC.

ILDC transferred \$337,000 and \$10,000 in administrative fees to ECIDA in 2024 and 2023.

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Income Taxes

Although the financial statements are required to be reported as a governmental entity, ILDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

2. Loans Receivable

The microenterprise revolving loan program was originally funded through a Community Development Block Grant (CDBG). Loans receivable maintained in the Erie County BDF are restricted pursuant to the original grant terms.

Loans made to local businesses from the Erie County BDF complement private financing at an interest rate of 2% with varying repayment terms. In 2022, ILDC began to provide microenterprise forgivable loans that may provide up to 50% of loan forgiveness if certain criteria are met by the borrower.

ILDC previously provided a \$750,000 forgivable loan to a borrower. The entire balance of the loan will be forgiven in installments of \$150,000 from 2025 through 2029 as long as the borrower meets certain job creation and retention requirements as set forth in the agreement. The balance of the loan is included in loans receivable and fully recognized in the allowance for uncollectible loans. The following is a summary of the loans receivable:

	2024	2023
Current status	\$ 1,828,254	\$ 1,914,515
Less allowance	1,476,012	1,429,132
	<u>352,242</u>	<u>485,383</u>
Less current portion	119,677	123,071
	<u>\$ 232,565</u>	<u>\$ 362,312</u>

Following is a summary of the activity in the allowance for uncollectible loans:

	2024	2023
Balance, beginning of year	\$ 1,429,132	\$ 1,306,584
Additions charged to operations	46,880	189,048
Reduction in allowances	-	(66,500)
	<u>\$ 1,476,012</u>	<u>\$ 1,429,132</u>

Scheduled maturities, net of allowances, for the next five years and thereafter are as follows:

	Principal	Interest
2025	\$ 119,677	\$ 17,057
2026	116,576	14,398
2027	72,339	8,474
2028	32,987	3,630
2029	10,663	981
	<u>\$ 352,242</u>	<u>\$ 44,540</u>

3. Special Project Grants

Special project grants are comprised of the following:

Bethlehem Phase II

In connection with Phase II of the Renaissance Commerce Park redevelopment, ILDC authorized the execution of a \$1,755,000 grant from Empire State Development (ESD) as Phase I of a capital grant under the Buffalo Billion II Initiative. Proceeds from this grant are used to acquire additional vacant Brownfield property at Renaissance Commerce Park, purchase a right-of-way along the eastern edge of the property, and plan for the Lackawanna-Woodlawn State Park Shoreline trail.

Phase II of the capital grant in the amount of \$7,695,000 under the Buffalo Billion II initiative was authorized by ILDC in 2021. Proceeds from this grant are used toward the design and construction of infrastructure improvements including additional environmental remediation, construction of new roads, and installation of utility corridors.

Bethlehem EDA

In 2022, ILDC authorized a \$2,680,000 grant from the U.S. Department of Commerce Economic Development Administration (EDA). Proceeds from this grant are used for the construction of water and sewer systems to facilitate development of land at Renaissance Commerce Park.

Angola Agribusiness Park

ILDC previously received grants from National Grid for \$354,000, Erie County for \$230,000, and from ESD for \$250,000 for the development of an agribusiness park at the former Angola Airport in Angola, New York. In 2024, ILDC also received a grant from the County for \$2,500,000 for this project.

The following is a summary of grants receivable at December 31:

	2024	2023
Bethlehem Phase II	\$ 3,195,000	\$ 6,695,000
Bethlehem EDA	62,106	1,809,107
Angola Agribusiness Park	3,156,452	687,072
	<u>\$ 6,413,558</u>	<u>\$ 9,191,179</u>

The following is a summary of unearned revenue at December 31:

	2024	2023
Bethlehem Phase II	\$ 2,529,906	\$ 3,692,057
Bethlehem EDA	-	32,267
Angola Agribusiness Park	2,820,910	431,096
Other	21,778	7,778
	<u>\$ 5,372,594</u>	<u>\$ 4,163,198</u>

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4. Land Held for Sale

Land held for sale is recorded at net realizable value based on assessment of the fair value of each project. The net realizable value as of December 31, 2024 and 2023 amounted to \$6,472,145 and \$6,875,104, respectively.

In February 2017, ILDC entered into a funding agreement with ECIDA to accept \$6,700,000 in the form of a partially refundable grant from ECIDA's U.S. Department of Housing and Urban Development Urban Development Action Grant (UDAG) reflow fund in connection with a Brownfield reclamation and redevelopment project at Renaissance Commerce Park in Lackawanna, New York. \$5,700,000 of the grant was earmarked for the purchase of real property, with the remaining \$1,000,000 to be used for carrying costs during and after property acquisition. Additional funding of up to \$700,000 for property acquisition was granted from ECIDA's UDAG reflow fund in September 2017. The initial \$1,000,000 for carrying costs was exhausted during 2023 and ECIDA approved additional funding for necessary carrying costs. As of December 31, 2024 and 2023, \$6,338,416 of the \$6,400,000 total amount granted has been spent on real property. As of December 31, 2024 and 2023, \$1,209,841 and \$1,093,297 for carrying costs was utilized, respectively.

In connection with the Phase I land purchase, ILDC accepted a \$2,780,000 grant from ESD. Proceeds from this grant were used to reimburse ECIDA. In addition, ILDC resolved to remit to ECIDA 50% of the net proceeds received upon the future sale of portions of land at Renaissance Commerce Park acquired using ECIDA grant funds, the aggregate of which is not to exceed \$6,700,000. As of December 31, 2024 and 2023, \$3,637,575 and \$3,363,125 in reimbursements have been made to ECIDA.

In December 2018, ILDC entered into a funding agreement with ECIDA to accept \$1,200,000 in the form of a partially refundable grant from ECIDA's UDAG reflow fund in connection with a redevelopment project at the former Angola Airport site in Angola, New York. \$900,000 of the grant was designated for the purchase of real property, with the remaining \$300,000 to be used for carrying costs during and after property acquisition. As of December 31, 2024 and 2023, \$855,084 of the \$900,000 granted for the purchase of real property was utilized. As of December 31, 2024 and 2023, \$184,397 and \$164,722 of the \$300,000 granted for carrying costs was utilized.

5. Related Party Transactions

ECIDA allocates a portion of its personnel and overhead costs to ILDC when sufficient funds are available. In 2024, cost of \$19,701 were charged to ILDC; no such amounts were charged in 2023. The amount outstanding to ECIDA at December 31, 2024 and 2023 related to these costs amounted to \$32,781 and \$41,605, respectively. In 2023, the ECIDA Board of Directors authorized ILDC to utilize ECIDA's UDAG funding for cash flow purposes while project reimbursements are processed. In 2024 and 2023, ECIDA provided a total of \$4,216,952 and \$4,477,770 for this purpose. Amounts due to ECIDA totaled \$4,249,733 and \$4,519,375 at December 31, 2024 and 2023, respectively.

In 2024 and 2023, Erie County provided \$28,555 and \$129,000, respectively, to ECIDA as a subrecipient of CDBG funds. These funds were then transferred to ILDC for its Erie County BDF loan program and are included in special project grant revenue in the accompanying statements of revenues, expenses, and changes in net position.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

Supplementary Information
Combining Balance Sheet

December 31, 2024

	Operating	Erie County BDF Program	Total
Assets			
Current assets:			
Cash	\$ 3,484,746	\$ 199,219	\$ 3,683,965
Grants receivable	6,413,558	-	6,413,558
Loans receivable	-	119,677	119,677
	<u>9,898,304</u>	<u>318,896</u>	<u>10,217,200</u>
Noncurrent assets:			
Loans receivable, net	-	232,565	232,565
Capital assets	184,285	-	184,285
Accumulated depreciation	(9,726)	-	(9,726)
Land held for sale	6,472,145	-	6,472,145
	<u>6,646,704</u>	<u>232,565</u>	<u>6,879,269</u>
	<u>\$ 16,545,008</u>	<u>\$ 551,461</u>	<u>\$ 17,096,469</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 66,383	\$ 959	\$ 67,342
Due to affiliate	4,216,952	32,781	4,249,733
Unearned revenue	5,372,594	-	5,372,594
	<u>9,655,929</u>	<u>33,740</u>	<u>9,689,669</u>
Net position:			
Net investment in capital assets	174,559	-	174,559
Restricted	-	517,721	517,721
Unrestricted	6,714,520	-	6,714,520
	<u>6,889,079</u>	<u>517,721</u>	<u>7,406,800</u>
	<u>\$ 16,545,008</u>	<u>\$ 551,461</u>	<u>\$ 17,096,469</u>

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

Supplementary Information
Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2024

	Operating	Erie County BDF Program	Total
Operating revenues:			
Administrative fees	\$ 337,513	\$ -	\$ 337,513
Gain on land held for sale	124,258	-	124,258
Interest from loans and other	8,755	20,005	28,760
Total operating revenues	470,526	20,005	490,531
Operating expenses:			
Transfer to Erie County Industrial Development Agency	337,013	19,701	356,714
General and administrative	147,297	4,186	151,483
Provision for uncollectible loans	-	46,880	46,880
Depreciation	4,534	-	4,534
Total operating expenses	488,844	70,767	559,611
Operating loss before special project grants	(18,318)	(50,762)	(69,080)
Special project grants:			
Special project grant revenue	1,440,823	28,555	1,469,378
Special project grant expense	(1,579,054)	-	(1,579,054)
Total special project grants	(138,231)	28,555	(109,676)
Change in net position	(156,549)	(22,207)	(178,756)
Net position - beginning	7,045,628	539,928	7,585,556
Net position - ending	\$ 6,889,079	\$ 517,721	\$ 7,406,800

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ILDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ILDC's internal control. Accordingly, we do not express an opinion on the effectiveness of ILDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ILDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ILDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 20, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and we have issued our report thereon dated March 20, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that ILDC failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ILDC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 20, 2025

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP**

2024 ANNUAL REPORT
(For purposes of Section 2800(2) of the Public Authorities Law)

Description of the Agency:

The Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, export assistance, land development and other economic development services to the City of Buffalo and Erie County, New York.

ECIDA has two affiliated not-for-profit organizations as follows:

- 1) **Buffalo and Erie County Regional Development Corporation (RDC).** This is a lending corporation that administers two revolving loan funds (RLFs). The first was capitalized by an Economic Development Administration (EDA) grant with matching funds from the City of Buffalo. The EDA released its federal interest in this original (“Legacy”) RLF in 2021. The second RLF was capitalized by a 2020 EDA grant as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- 2) **Buffalo and Erie County Industrial Land Development Corporation (ILDC).** The ILDC takes ownership of distressed properties to remediate and return them to productive use. The ILDC was restructured in 2009 to allow it to issue tax-exempt interest debt on behalf of Erie County to assist local not-for-profit organizations finance development projects at a lower cost. On behalf of Erie County, the ILDC also administers the Erie County Business Development Fund, a micro-loan program funded from HUD Community Development Block Grant sources.

These corporations are related since they are managed by the same personnel. The ECIDA and RDC share the same Board of Directors as their oversight body. The ILDC board is comprised of five members, three of whom are ECIDA Board members. None of these corporations is owned by another corporation.

Purpose of the Annual Report:

As an industrial development agency, ECIDA and its affiliates are required to comply with New York State’s Public Authorities Law. Under this Law, the ECIDA and its affiliates are required to submit a comprehensive annual report that includes information on:

1. Operations and accomplishments
2. Financial reports
3. Mission statement and measurements
4. Bonds and notes outstanding
5. Compensation (for those with a salary in excess of \$100,000)
6. Projects undertaken during the year
7. Property Report
8. Code of Ethics
9. An assessment of internal control structure and effectiveness
10. Legislation that forms the statutory basis of the authority

11. Board structure
12. By-Laws
13. Listing of material changes in operations and programs during the reporting year
14. Four-year financial plan
15. Board Performance Evaluations
16. Assets/Services bought or sold without competitive bidding
17. Description of material pending litigation

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2024.

1. Operations & Accomplishments:

A report on the 2024 operations and accomplishments of the ECIDA and its affiliates is posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports>.

2. Financial Reports:

i) Audited Financial Statements:

The audited financial statements for the ECIDA and its affiliates are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports> while the financial statement certification is included on page 9.

The financial statements are audited on an annual basis by independent auditors, Lumsden McCormick, LLP. In their opinion, the financial statements present fairly, in all material respects, the financial position of the ECIDA and its affiliates as of December 31, 2024, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

ii) Grants & Subsidy Programs:

The ECIDA and its affiliates are recipients of various pass-through Federal, State and local grant programs that are utilized for land development, loan, and other economic development programs. Details of the various grants are outlined in the notes to the audited financial statements.

In accomplishing its mission, ECIDA does not receive any operational funding or subsidies from Federal, State, County or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

iii) Operating & Financial Risks:

The following outline some of the operating and financial risks that impact the ECIDA and its affiliates:

- New York State Legislation – The New York State Legislature can impose various restrictions on the ability of Industrial Development Agencies to provide tax incentives which could significantly impact the revenue of the ECIDA.

- Collectability of loans receivable – The RDC and ILDC operate various revolving loan programs and as such their financial results are impacted by the collectability of the related loans.
- Litigation – To provide various tax incentives or grants, ECIDA takes a leasehold or ownership interest in various properties and is at times brought into various lawsuits that could impact ECIDA’s financial results or affect insurability.
- Regulations – The ECIDA, RDC and ILDC are subject to various regulations including those imposed by the NYS Authorities Budget Office and the Federal Economic Development Administration. These regulations may increase the cost of compliance or impact the financial position of the Agency.
- Local economic conditions – Since ECIDA relies upon fees generated from various projects that it assists, a reduction in the number and/or size of those projects would significantly impact the Agency’s revenues.

The ECIDA mitigates a portion of the above risks through prudent financial management, external legal guidance and comprehensive insurance coverage.

iv) Current bond ratings:

The ECIDA and ILDC act as conduits for tax-exempt bond financings by various not-for-profit and other eligible borrowers. As conduit bond issuers, ECIDA and ILDC do not issue bonds on their own behalf and therefore are not rated by municipal bond rating agencies.

v) Long-term liabilities including leases and employee benefit plans:

The ECIDA has long-term liabilities that are recorded on its financial statements related to funds held on behalf of others under certain fiduciary arrangements as outlined in the notes to the ECIDA audited financial statements. ECIDA does not have any long-term liabilities under employee benefit plans as ECIDA employees are not covered by any defined benefit pension plans or provided with any post-retirement benefits.

The ECIDA (as lessee) has a lease for its office space and three minor long-term leases for office equipment. The office lease is recognized as a right-to-use lease asset and lease liability in the audited financial statements.

3. Mission Statement & Performance Measurements:

The ECIDA’s Mission Statement & Measurements Report for 2024 is included in Attachment 1. This document was reviewed and approved by the Board at the March 27, 2024 Board meeting.

4. Schedule of Bonds and Notes Outstanding:

Attachment 2 summarizes ECIDA’s and ILDC’s bonds and notes outstanding at December 31, 2024. The indebtedness shown on these schedules is conduit debt and is **not** an obligation of ECIDA, ILDC, Erie County or New York State. Neither the ECIDA nor the ILDC records the assets or liabilities resulting from completed bond and note

issues in their accounts since their primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

5. Compensation Schedule:

See Attachment 3 for a list of ECIDA employees who had a salary exceeding \$100,000 during 2024. Attachment 3A is a summary of benefits provided to those staff as per the New York State Public Authorities Reporting Information System (PARIS). Biographies for these individuals are posted on the ECIDA website at <http://www.ecidany.com/staff-directory>. Salaries and benefit information for other ECIDA staff are also reported under the PARIS system.

None of the directors of ECIDA or its affiliates receive any compensation for their services as directors. None of the officers of ECIDA or its affiliates receive any compensation for their services as officers beyond their compensation as employees. None of the ECIDA affiliates had any employees during 2024.

6. Projects Undertaken by the Corporation during 2024:

Attachment 4 details the tax-exempt bonds and tax abatements that were approved during 2024. Attachments 4A and 4B detail the loans that were funded in 2024 by the RDC and ILDC, respectively.

7. Listing of Certain Property of the Corporation:

Attachment 5 provides information regarding the real property holdings of the ECIDA and its affiliates. This listing excludes the hundreds of properties in which the ECIDA has technical title in order to convey certain tax or other benefits. The properties presented are those where the ECIDA and its affiliates have “real” beneficial ownership.

8. Code of Ethics:

The Corporation’s Code of Ethics is posted on the ECIDA’s website at <http://www.ecidany.com/about-us-corporate-policies>.

9. Assessment of the Effectiveness of Internal Control Structure and Procedures:

Management’s Assessment of the Effectiveness of Internal Controls of the ECIDA, RDC and ILDC is posted on the ECIDA’s website at <https://www.ecidany.com/about-us-corporate-reports>.

The ECIDA, RDC and ILDC’s independent auditors have conducted an audit of the internal control over financial reporting and their report is included in the audited financial statements posted on the ECIDA’s website at <https://www.ecidany.com/about-us-corporate-reports>.

10. Legislation that forms the Statutory Basis of the Authority:

ECIDA

Industrial development agencies (“IDAs”) are formed under Article 18-A of New York State General Municipal Law, as public benefit corporations. IDAs were created to actively promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in cities, towns, villages and counties throughout New York State (the “State”). IDAs are empowered to provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational opportunities for residents of a municipality (“Benefited Municipality”).

Section 891a of the General Municipal Law outlines the composition of the Erie County IDA membership and additional powers granted to the ECIDA. A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$\\$GMU891-A\\$\\$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$GMU891-A$$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

RDC & ILDC

The RDC & ILDC are local development corporations which are formed and empowered to conduct certain projects pursuant to Not-For-Profit Corporation Law §1411. Distinguished from IDAs (which exist as public benefit corporations), LDCs are established as charitable corporations that are empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted (“Benefited Territory”) and to make loans. LDCs can provide financial assistance for the construction, acquisition, rehabilitation, improvement, and maintenance of facilities for others in its Benefited Territory. Specific LDC powers include the ability to: (i) disseminate information and furnish advice, technical assistance and liaison services to Federal, State and local authorities; (ii) to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property; and (iii) to borrow money and to issue negotiable bonds, notes and other obligations. LDCs are empowered to sell, lease, mortgage or otherwise dispose of or encumber facilities or any real or personal property or any interest therein.

A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$\\$NPC1411\\$\\$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$NPC1411$$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

11. Description of the Authority and its Board Structure:

i) Names of Committees and Committee Members:

The ECIDA and its affiliates operate several committees as outlined on the ECIDA website at <http://www.ecidany.com/about-us-board-committees>. Attachment 6 outlines the committee members.

ii) Lists of Board Meetings & Attendance:

A list of the various Board meetings and Board attendance is outlined on Attachment 7.

iii) Description of major authority units, subsidiaries:

The ECIDA and its affiliates do not have any subsidiaries.

iv) Number of Employees:

The ECIDA had 18 full-time employees during 2024.

v) Organizational Chart:

The ECIDA's organizational chart is posted on the ECIDA's website at: https://www.ecidany.com/documents/Press_Room/Organizational%20Chart%20-%20as%20of%20June%202019.pdf

12. Bylaws:

The Bylaws for the ECIDA and its affiliates are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-policies>.

13. Listing of Material Changes in Operations and Programs:

ECIDA, through its development arm ILDC, continued its redevelopment work at Renaissance Commerce Park with the sale of a parcel to Sucro Sourcing, who plans to build a new warehouse on the site in 2025. Additionally, Uniland Development completed and opened their second industrial warehouse, logistics and light manufacturing space with 60% of the building already leased creating dozens of new jobs on the site. On the horizon is the development of a light manufacturing space just south of the Dona St. extension headed by J.G. Petrucci Company, Inc. who was chosen as the designated developer for the project through an RFP process late in 2024. Infrastructure work at the site remains a top priority for redevelopment. In 2024 a new water and sewer line was completed on the north end of the property and design and engineering continued for two new roads (Odell St. and Ridge Rd.). Significant design and engineering for the WYE Yard Rail Relocation Project was also completed, which will open up a 40-acre parcel for redevelopment on the site. The WYE Yard project received a grant from New York State for \$1,750,000 to help with the construction phase of the project slated for 2025.

The ILDC's work on the redevelopment of the Erie County Agribusiness Park entered a new stage in 2024 with the completion and approval of the site's master plan and Generic Environmental Impact Statement. Upon completion of the master plan the ILDC began infrastructure work on the site with the hiring of LiRo Engineers to conduct the design and engineering of the access road project for the property, including the demolition of

three small metal buildings on the site to make way for the road. The ILDC also started the marketing of the property by designing and integrating a logo for the park.

The RDC continued to operate two revolving loan funds (RLFs) in 2024, providing favorable terms to businesses who may not qualify for traditional lending from banks. By the end of 2024, the funds available for lending from the RLFs accelerated to approximately \$6,000,000, primarily due to several larger loans paying off early. During 2024, the RDC officially introduced its line of credit (LOC) product to businesses located in Erie County and approved one LOC to a minority contractor. Due to the closure of the Sumitomo Rubber Company that caused over 1,500 employees to be displaced, the RDC Board approved a new loan program that offers special lending terms to assist former Sumitomo employees with low-cost capital to start their own businesses.

The ECIDA Board approved 7 tax incentive projects with total private investment of over \$314,000,000 expected. 2 of these projects opted into the Economic Inclusion Program (EIP) PILOT, which is designed to increase MWBE contract and hiring opportunities on projects that receive ECIDA PILOT benefits.

14. Four-Year Financial Plan:

A copy of the four-year financial plan is posted on the ECIDA's website at <https://www.ecidany.com/about-us-corporate-reports>.

15. Board Performance Evaluations:

The ECIDA, RDC and ILDC Boards of Directors conducted a Board Performance Evaluation in 2024 and forwarded the results to the Authorities Budget Office. The surveys are not subject to disclosure under article six of Public Officers Law.

16. Assets/Services bought or sold without competitive bidding:

Attachments 8, 8A, and 8B are Procurement Reports that are filed using PARIS for the ECIDA, RDC, and ILDC respectively. These reports outline the assets and services purchased through competitive and non-competitive bidding for all procurements in excess of \$5,000.

17. Description of material pending litigation:

The audited financial statements for the ECIDA, RDC, and ILDC outline any material pending litigation. The audited financial statements are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports>.

Certification Pursuant to Section 2800(3) of the Public Authorities Law

Pursuant to Section 2800 (3) of the Public Authorities Law, each of the undersigned officers of Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation, and the Buffalo and Erie County Industrial Land Development Corporation does hereby certify with respect to the annual financial report of the Corporation (the "Annual Financial Report") posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports> that based on the officer's knowledge:

1. The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
2. Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
3. Fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in such financial statements.

John Cappellino
President & CEO

Mollie Profic
Vice President/CFO

Attachment 1

2024 Mission Statement and Performance Measures with Results

is included elsewhere in this package and not repeated to reduce size.

ECIDA Bonds

ATTACHMENT 2

Id	Trustee	ProjectName	Bond Amount	Year Start Balance 2024	Year End Balance 2024	Principal Paid 2024	Interest Rate	Bond/Loan Number	Bond Maturity
2360	New York Housing Finance Agency	2009 Shoreline Apartments LLC	\$9,000,000	\$ 1,044,869	\$ 989,912	\$ 54,957	0.055	5003	11/30/41
2516	Bank of New York Mellon	Our Lady of Victory Renaissance Corporation	\$11,860,000	\$ 6,275,000	\$ 5,715,000	\$ 560,000	Variable		4/1/32
2591	M&T Bank	Canisius High School	\$22,250,000	\$ 9,475,000	\$ 8,765,000	\$ 710,000	var	1012768	2/1/38
10194	M&T Bank	Joint Schools Construction Board 2013 Refund of 2009A Bonds	\$62,540,000	\$ 59,935,000	\$ -	\$ 59,935,000	var	254	5/1/28
10291	M&T Bank	Joint Schools Construction Board (Refund of 2007A & 2008A bonds) - Series 2015A	\$236,975,000	\$ 120,385,000	\$ 98,785,000	\$ 21,600,000	var.	H378	2029
10342	M&T Bank	Joint Schools Construction Board Series 2016A (Refund of 2009A Bonds)	\$133,580,000	\$ 84,405,000	\$ 67,725,000	\$ 16,680,000	2.17	118534-000	2031
10404	Zions Bancorporation	Marina Vista	\$13,300,000	\$ 12,571,935	\$ 12,368,666	\$ 203,268	fixed	CPC7068801, 7916	1/1/37
10504	U.S. Bank National Association	Related Affordable/Elmwood Square Apartments	\$8,590,000	\$ 8,534,149.62	\$ 8,396,281	\$ 137,869	1.846%, Fixed	234450000	2038
10621	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo -2021 series	\$109,135,000	\$ 95,955,000	\$ 80,320,000	\$ 15,635,000	Fixed	21A & 21B	2032
10730	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo - 2022 series	\$71,150,000	\$ 51,945,000	\$ 33,225,000	\$ 18,720,000	Fixed	156152-000	2026
10758	Huntington National Bank	OAHS Tonawanda TC, LLC (Tonawanda Towers)	\$ 11,090,000	\$ 11,090,000	\$ 11,090,000	\$ -	Fixed	Account number 5082001861	10/1/2062
10764	Wilmington Trust National Association	Ellicott Park Townhomes Community Partners, LP	\$33,000,000	\$ 32,935,000	\$ 32,765,000	\$ 170,000	5.45% fixed	161477-000	4/1/2067
10809	U.S. Bank National Association	Westchester Park Perservation LP	\$22,310,000	\$ 22,310,000	\$ 22,200,000	\$ 110,000	4.23% fixed	248174000	2041
10813	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo - 2023A	\$57,270,000	\$ 57,270,000	\$ 57,270,000	\$ -	5.0% fixed	166740-000	2028
				\$ 574,130,953	\$ 439,614,859				

ILDC Bonds

ATTACHMENT 2

ID	Bank	Project Name	Jobs	Bond Amount	Year Start Balance 2024	Year End Balance 2024	Principal Paid 2024	Interest Rate	Loan Number
2758	UMB Bank	Enterprise Charter School	No	\$7,345,000.00	\$5,895,000.00	\$5,715,000.00	\$180,000.00	7.5	1032851
10111	M&T Bank	Cantalcian Center for Learning-Series A	No	\$9,525,000	\$4,440,000	\$3,955,833.00	\$484,167.00	var.	1034105
10278	The Bank of New York Mellon	Catholic Health System	No	\$93,800,000	\$68,500,000.00	\$63,795,000.00	\$4,705,000.00	5	
10290	The Bank of New York Mellon	Orchard Park CCRC, Inc. a/k/a Fox Run	No	\$44,490,000	\$34,055,000	\$32,485,000.00	\$1,570,000.00	1-5%	ORCHRDPAK15
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015A	No	\$30,760,000.00	\$18,865,000.00	\$17,865,000.00	\$1,000,000.00	Bank Purchase Rate: 5.1780%	3233822
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015B	No	\$16,195,000.00	\$16,195,000.00	\$16,195,000.00	\$0.00	Bank Purchase Rate: 5.2756%	3233830
10338	M&T Bank	854 Ellicott Street, LLC	No	\$44,328,500	\$39,055,046.90	\$38,054,669.90	\$1,000,377.00	2.95	99-6641368-3
10371	M&T Bank	Tapestry Charter School	No	\$33,900,000.00	\$31,645,000.00	\$31,115,000.00	\$530,000.00	Series A - 3.875% & 5.00% Series B - 6.00 %	123350-000 & 123351-000
10375	U.S. Bank	Charter School for Applied Technologies	No	\$22,995,000.00	\$17,285,000.00	\$16,180,000.00	\$1,105,000.00	Varies: 4.25%-5.00%	220612000
10399	Wilmington Trust	Global Concepts Charter School	No	\$6,185,000.00	\$5,045,000.00	\$4,785,000.00	\$260,000.00	4 & 5%	131876-000
10470	U.S. Bank	D'Youville College	No	\$48,205,000.00	\$45,615,000.00	\$44,675,000.00	\$940,000.00	Variable	234594000
10713	Key Government Finance, Inc.	134 High Street, LLC, Series 2022		\$19,635,847.21	\$18,269,755.69	\$17,494,290.11	\$775,465.58	2.92%	2002880080
10827	D'Youville University		No	\$44,935,000.00		\$44,935,000.00		8.38%	
				\$ 422,299,347.21	\$ 304,864,802.59	\$ 337,249,793.01			

Erie County Industrial Development Agency
Compensation Schedule
Year Ended: December 31, 2024

The following employees had a base salary greater than \$100,000 in 2024:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
John Cappellino	President & CEO	\$ 205,000	-	13,762	43,232	\$ 261,994
Elizabeth O'Keefe	Vice President - Operations	\$ 124,800	-	9,883	24,650	\$ 159,333
Mollie Profic	Vice President & CFO	\$ 120,229	-	9,534	40,941	\$ 170,704
Grant Lesswing	Director of Business Development	\$ 111,095	-	8,835	31,788	\$ 151,718

* Represents Employer's Share of FICA taxes (Social Security & Medicare) & NYS Unemployment Insurance taxes



Annual Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 03/12/2025
 Status: UNSUBMITTED
 Certified Date: N/A

Name	Title	Severance Package	Payment For Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation Allowance	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these benefits	Other
Nellis, Glenn	Board of Directors												X	
Nowak, Brian	Board of Directors												X	
Poloncarz, Mark	Board of Directors												X	
Scanton, Christopher P	Board of Directors												X	
Schoetz, Kenneth	Board of Directors												X	
Vacant	Board of Directors												X	

Staff

Staff Name	Title	Severance Package	Payment For Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation Allowance	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these benefits	Other
Cappellino, John	President & CEO												X	
Lesswing, Grant	Director of Business Development												X	
O'Keefe, Elizabeth	Vice President of Operations												X	
Profc, Mollie	Vice President & Chief Financial Officer												X	

Erie County Industrial Development Agency
 Projects Undertaken by the Corporation
 Year Ended: December 31, 2024

<u>Company</u>	<u>Projected Year 2 Jobs</u>	<u>Net Jobs Projected to be Created</u>	<u>Lease Project Amount</u>	<u>Tax Exempt Bond Amount</u>	<u>Date Approved</u>
1 Upstate Niagara Cooperative, Inc.	370	130	\$ 150,000,000		9/25/2024
2 3200 Clinton Street, LLC	55	55	46,530,000		8/28/2024
3 Laborers Way 1*	37	37	\$ 45,290,000		9/25/2024
4 BPS Commissary Kitchen*	41	8	34,135,084		3/27/2024
5 SL Evans	0	0	20,769,000		3/27/2024
6 Pfannenber, Inc.	147	24	11,500,000		12/18/2024
7 Hanes Supply, Inc.	100	13	6,000,000		10/23/2024
Total:	749	266	\$ 314,224,084	\$ -	

*Indicates an amendatory project.

Buffalo & Erie County Regional Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2024

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Great British Pantry, LLC	\$ 300,000	1/24/2024
2 Tundra Transport, LLC	230,000	1/24/2024
3 Angola Theater, Inc.	150,000	12/17/2024
4 Blue Eyed Baker, LLC	150,000	6/21/2024
5 Draghi Burgos Construction, LLC*	100,000	6/25/2024
6 Gilded Buffalo, LLC	50,000	12/6/2024
	Total	
	<u>\$ 980,000</u>	

*Indicates line of credit.

Buffalo & Erie County Industrial Land Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2024

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Todd Rosser d/b/a Rosser's Ridge Maple & More	\$ 35,000	3/6/2024
Total	<u>\$ 35,000</u>	

Erie County Industrial Development Agency
 Property Report
 Year Ended: December 31, 2024

Table 1. The following is a listing of all real property owned by the ECIDA and its affiliates at December 31, 2024.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV of Property*
ECIDA	Gateway Trade Center - N.W. Hamburg Turnpike, Lackawanna, NY 14218	Commercial warehouse	\$ 1,215,000
ECIDA	143 Genesee Street, Buffalo, NY 14203	12,803 square foot office facility	1,852,033
ILDC	3445 River Road, Tonawanda, NY 14150	Vacant land	20,000
ILDC	1526 Eden Evans Center Road, Evans, NY 14006	237.99 acres of land w/4 commercial buildings	703,506
ILDC	2303 Hamburg Turnpike, Lackawanna, NY 14218	142.91 acres of vacant land w/19,368 s.f. building	\$ 1,120,331

Table 2. The following is a listing of personal property (with a fair market value ("FMV") in excess of \$5,000) and all real property that was disposed of during 2024.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Purchaser	Date of Sale	Price Received
ILDC	Part of 2303 Hamburg Turnpike, Lackawanna, NY 14218	9.98 acres of vacant land (Parcel I-10)	\$ 499,000	Sucro Real Estate NY, LLC 2020 Ponce de Leon Blvd, Ste 1204 Coral Gables, FL 33134	12/17/2024	\$548,900

Table 3. The following is a listing of all real property that was acquired during 2024.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Seller	Date of Purchase	Price Paid

Please note that the above listing excludes the hundreds of properties in which the ECIDA has technical title in order to convey certain tax or other benefits. The properties presented are those where the ECIDA has "real" beneficial ownership.

* Based on assessed value (adjusted for tax equalization rate if applicable) or appraisal, if available.

ECIDA/RDC/ILDC Board Committees
(As of 12/31/24)

Attachment #6

Key: E= ECIDA, R=RDC, I=ILDC

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
Denise Abbott								
Thomas Baines*		ERI				ER	ER	
April Baskin*						ER		
A.J. Baynes *						ER		
Penny Beckwith*				ERI				ERI
Mark Blue			E			ER		
Patrick Boyle				ERI				
Allison DeHonney*				ERI				
Thomas Emmerling				ERI				
Joseph Emminger	ER						ER	
Zachary Evans*		ERI			ERI	ER		
Dottie Gallagher			E					
Rebecca Gandour*							ER	
Hon. John Gilmour		ERI						
Tyra Johnson-Hux		ERI						ERI
Gregory Inglut*						ER		
Brian Kulpa		ERI						
Nancy LaTulip*							ER	
Richard Lipsitz	ER		E		ERI	ER		
Dr. Susan McCartney						ER		
Brenda McDuffie	ER	ERI	E			ER		
David McKinley*						ER		
Glenn Nellis	ER			ERI		ER	ER	
Brian Nowak				ERI				ERI
Mark Poloncarz	ER		E		ERI			
Kenneth Schoetz	ER	ERI	E		ERI			ERI
Laura Smith*								
David State*		ERI				ER		
Christopher Scanlon	ER	ERI				ER		
Lavon Stephens*								
Michael Szukala*						ER		
Michael Taylor*				ERI			ER	

ECIDA/RDC/ILDC Board Committees
(As of 12/31/24)

Attachment #6

Key: E= ECIDA, R=RDC, I=ILDC

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
William Witzleben*				ERI				ERI
Royce Woods*							ER	

* Non-Board members

2024 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST

Attachment #7

X = ATTENDED

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
ECIDA		No Meeting	No Meeting	3/27/24	No Meeting	5/29/24	6/26/24	No Meeting	8/28/24	9/25/24	10/23/24	No Meeting	12/18/24	
	Denise Abbott			X		X			X	X	X		X	
	Rev. Mark Blue			X			X		X	X	X		X	
	Patrick Boyle						X			X	X		X	
	Hon. Byron Brown					X	X			X	X		X	Term Begin: 6/26/2024 Term End: 10/14/2024
	James Doherty						X							
	Thomas Emmerling								X	X			X	Term Begin: 8/28/2024
	Hon. Joseph Emminger			X		X				X	X		X	
	Dottie Gallagher			X										
	Hon. John Gilmour													
	Michael Hughes			X						X	X		X	Term Begin: 9/25/2024; Term End: 12/31/2024
	Hon. Howard Johnson			X			X			X	X		X	Term End: 12/31/2024
	Tyra Johnson			X					X	X	X		X	Term End: 7/5/2024
	Hon. Brian Kulpa			X			X			X	X		X	
	Richard Lipsitz Jr.			X			X			X	X		X	
	Denise McCowan			X			X			X	X		X	Term End: 5/31/2024
	Brenda McDuffie			X			X			X	X		X	
	Hon. Glenn Nellis			X			X			X	X		X	
	Hon. Brian Nowak			X			X			X	X		X	
	Hon. Mark Poloncarz			X			X			X	X		X	Term Begin: 1/1/2024
	Hon. Christopher Scanton													Term Begin: 1/21/2024, Hon. Scanton was elected Council President on January 2, 2024, and served until becoming Interim Mayor on October 15, 2024.
	Kenneth Schoetz			X			X				X		X	
	Paul Vukelic			X			X				X		X	Term End: 7/31/2024
RDC	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
		No Meeting	No Meeting	3/27/24	No Meeting	5/29/24	No Meeting	No Meeting	8/28/24	9/25/24	10/23/24	No Meeting	12/18/24	
	Denise Abbott			X		X			X	X	X		X	
	Rev. Mark Blue			X					X	X	X		X	
	Patrick Boyle									X	X		X	
	Hon. Byron Brown					X				X	X		X	Term Begin: 6/26/2024 Term End: 10/14/2024
	James Doherty													
	Thomas Emmerling								X	X			X	Term Begin: 8/28/2024
	Hon. Joseph Emminger			X		X				X	X		X	
	Dottie Gallagher			X										
	Hon. John Gilmour													
	Michael Hughes			X						X	X		X	Term Begin: 9/25/2024; Term End: 12/31/2024
	Hon. Howard Johnson			X						X	X		X	Term End: 12/31/2024
	Tyra Johnson			X					X	X			X	Term End: 7/5/2024
	Hon. Brian Kulpa			X			X			X	X		X	
	Richard Lipsitz Jr.			X			X			X	X		X	
	Denise McCowan			X			X			X	X		X	Term End: 5/31/2024
	Brenda McDuffie			X			X			X	X		X	

2024 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST

Attachment #7

X = ATTENDED

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
RDC	Hon. Glenn Nellis	No Meeting	No Meeting	3/27/24	No Meeting	5/29/24	No Meeting	Not Meeting	8/28/24	9/25/24	10/23/24	No Meeting	12/18/24	
	Hon. Brian Nowak			X		X			X	X	X		X	Term Begin: 1/1/2024.
	Hon. Mark Poloncarz								X	X			X	Term Begin: 1/1/2024. Hon. Scanton was elected Council President on January 2, 2024, and served until becoming Interim Mayor on October 15, 2024.
	Hon. Christopher Scanton								X		X			
	Kenneth Schoetz			X		X			X	X	X		X	
	Paul Vukelic			X		X			X	X	X		X	Term End: 7/31/2024
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
ILDC	Denise Abbott	No Meeting	2/28/24	3/27/24	No Meeting	5/29/24	6/26/24	No Meeting	No Meeting	9/25/24	10/23/24	11/20/24	No Meeting	
	Hon. April Baskin		X	X		X				X	X			Term End: 12/31/2024
	Hon. Byron Brown		X			X								Term End: 10/14/2024
	Daniel Castle		X	X		X	X			X	X	X		
	Hon. Howard Johnson		X	X		X	X							Term End: 7/5/2024
	Hon. John Gilmour									X	X	X		Term Begin: 9/25/2024; Term End: 12/31/2024
	Richard Lipsitz			X		X	X			X	X	X		
	Hon. Mark Poloncarz						X			X	X			
	Hon. Christopher Scanton										X	X		Term Begin: 10/15/2024



Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecidany.com/about-us-corporate-policies
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	360 PSG.com	Address Line1	678 Sheridan Drive
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
	Award Date	9/21/2010	State	NY
	End Date		Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$11,982.50	Province/Region	United States
	Amount Expended For Fiscal Year	\$11,982.50	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Website maintenance, employment survey updates

2.	Vendor Name	Audacy Operations, Inc.	Address Line1	500 Corporate Parkway
	Type of Procurement	Other Professional Services	Address Line2	Suite 200
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14226
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$38,912.50	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted local radio and social media advertising

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

3.	Vendor Name	Buffalo Business First	Address Line1	465 Main Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$30,105.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted advertising campaigns in local weekly business publication and event sponsorships

4.	Vendor Name	Buffalo Niagara Manufacturing Alliance	Address Line1	683 Northland Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14211
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$9,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual sponsorship and membership dues

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

5.	Vendor Name	Buffalo Niagara Partnership	Address Line1	79 Perry Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$17,899.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorship for DEI Assessment, annual membership, event registrations

6.	Vendor Name	Buffalo Southern Railroad	Address Line1	8600 Depot Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	EDEN
	Award Date		State	NY
	End Date		Postal Code	14057
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$107,458.01	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Capital improvements at various railroad crossings

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

7. Vendor Name	Buffalo Urban Development Corporation	Address Line1	95 Perry Street
Type of Procurement	Other	Address Line2	Suite 404
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14203
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$100,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Support for Buffalo's Race for Place initiative

8. Vendor Name	Buffalo Urban League	Address Line1	15 Genesee Street
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14203
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$26,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Support for ULJ Advisory Panel, event sponsorship

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date : N/A

9.	Vendor Name	C&S Engineers	Address Line1	141 Elm Street, Suite 100
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	3/8/2021	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$745,502.80	Province/Region	
	Amount Expended For Fiscal Year	\$157,242.42	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Planning, environmental, financial and design services for public sanitary sewer and water line extensions at Renaissance Commerce Park.

10.	Vendor Name	C&S Engineers	Address Line1	141 Elm Street, Suite 100
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	10/25/2023	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$578,455.00	Province/Region	
	Amount Expended For Fiscal Year	\$310,500.55	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Design and engineering services for removal of rail on the former WYE Yard and reconstruction on the POCO Yard at Renaissance Commerce Park.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

11. Vendor Name	C&S Engineers	Address Line1	141 Elm Street, Suite 100
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	11/29/2023	State	NY
End Date		Postal Code	14203
Fair Market Value		Plus 4	
Amount	\$181,740.00	Province/Region	
Amount Expended For Fiscal Year	\$64,145.47	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Site planning, design, construction administration, and inspections related to Buffalo Southern Railroad (BSOR) Improvement Project.

12. Vendor Name	Copier Fax Business Technologies, Inc.	Address Line1	4 Pequet Parkway
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
Award Date	2/27/2023	State	NY
End Date	2/27/2028	Postal Code	14150
Fair Market Value		Plus 4	
Amount	\$15,490.80	Province/Region	
Amount Expended For Fiscal Year	\$15,490.80	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	DocuWare annual maintenance charges (\$7,550.00), and copier supplies/usage (\$7,940.80).

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

13. Vendor Name	Crown Castle Fiber LLC	Address Line1	PO Box 28730
Type of Procurement	Telecommunication Equipment or Services	Address Line2	
Award Process	Purchased Under State Contract	City	NEW YORK
Award Date		State	NY
Fair Market Value		Postal Code	10087
Amount		Plus 4	
Amount Expended For Fiscal Year	\$6,600.00	Province/Region	United States
Explain why the Fair Market Value is Less than the Amount		Country	United States
		Procurement Description	Internet service - 95 Perry St

14. Vendor Name	Empire State Development Corporation	Address Line1	633 Third Avenue
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
Award Date	3/7/2008	State	NY
End Date	7/31/2027	Postal Code	10017
Fair Market Value		Plus 4	
Amount	\$14,993.64	Province/Region	United States
Amount Expended For Fiscal Year	\$14,993.64	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Utilities for offices at 95 Perry Street.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date: N/A

15. Vendor Name	Golden Shovel Agency, LLC	Address Line1	43 East Broadway
Type of Procurement	Consulting Services	Address Line2	Suite 104
Award Process	Authority Contract - Non-Competitive Bid	City	LITTLE FALLS
Award Date	1/5/2024	State	MN
End Date		Postal Code	56345
Fair Market Value	\$9,950.00	Plus 4	
Amount	\$9,950.00	Province/Region	United States
Amount Expended For Fiscal Year	\$9,950.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Marketing services/marketing blueprint

16. Vendor Name	Greenwich Insurance Co.	Address Line1	87 Greenwich Avenue
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	GREENWICH
Award Date	1/1/2024	State	CT
End Date	12/31/2024	Postal Code	06830
Fair Market Value		Plus 4	
Amount	\$22,976.00	Province/Region	United States
Amount Expended For Fiscal Year	\$22,976.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Directors & officers insurance for 1/1/24-1/1/25

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date : N/A

17. Vendor Name	Guardian	Address Line1	10 Hudson Yards
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
Award Date	2/1/2024	State	NY
End Date	1/31/2025	Postal Code	10001
Fair Market Value	\$19,032.84	Plus 4	
Amount	\$19,032.84	Province/Region	
Amount Expended For Fiscal Year	\$19,032.84	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental Insurance for ECIDA employees.

18. Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/12/2009	State	NY
End Date	11/30/2027	Postal Code	14210
Fair Market Value		Plus 4	
Amount	\$36,848.68	Province/Region	
Amount Expended For Fiscal Year	\$36,848.68	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date : N/A

19. Vendor Name	Highmark Blue Cross Blue Shield of WNY	Address Line1	257 W Genesee Street
Type of Procurement	Other	Address Line2	Suite 100
Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
Award Date	1/1/2024	State	NY
End Date	1/31/2025	Postal Code	14202
Fair Market Value	\$11,780.32	Plus 4	
Amount	\$11,780.32	Province/Region	
Amount Expended For Fiscal Year	\$11,780.32	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees

20. Vendor Name	Independent Health	Address Line1	511 Farber Lakes Drive
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
Award Date	2/1/2024	State	NY
End Date	1/31/2025	Postal Code	14221
Fair Market Value	\$197,158.91	Plus 4	
Amount	\$197,158.91	Province/Region	
Amount Expended For Fiscal Year	\$197,158.91	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees

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21.	Vendor Name	Invest Buffalo Niagara	Address Line1	403 Main Street
	Type of Procurement	Other	Address Line2	Suite 624
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$75,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Membership investment

22.	Vendor Name	Layer 3 Technologies, Inc.	Address Line1	1645 Lyell Avenue
	Type of Procurement	Technology - Software	Address Line2	Suite 200
	Award Process	Purchased Under State Contract	City	ROCHESTER
	Award Date		State	NY
	End Date		Postal Code	14606
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$7,147.98	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT services and multi-factor authentication tool

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23.	Vendor Name	Lee Enterprises	Address Line1	PO Box 6035
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	CAROL STREAM
	Award Date		State	IL
	End Date		Postal Code	60197
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$10,008.46	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Public hearing notices in Buffalo News

24.	Vendor Name	Lehigh Construction Group, Inc.	Address Line1	4327 S Taylor Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	ORCHARD PARK
	Award Date	1/11/2024	State	NY
	End Date		Postal Code	14127
	Fair Market Value	\$25,500.00	Plus 4	
	Amount	\$25,500.00	Province/Region	United States
	Amount Expended For Fiscal Year	\$25,500.00	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Building repairs at 4 Scott Street

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25. Vendor Name	Liro Engineers, Inc.	Address Line1	690 Delaware Avenue
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/26/2022	State	NY
End Date		Postal Code	14209
Fair Market Value		Plus 4	
Amount	\$116,372.00	Province/Region	
Amount Expended For Fiscal Year	\$51,314.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting and planning services related to the Shoreline Trail Enhancement Project.

26. Vendor Name	Lumsden McCormick, LLP	Address Line1	369 Franklin Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date	6/30/2025	Postal Code	14202
Fair Market Value		Plus 4	
Amount	\$30,400.00	Province/Region	
Amount Expended For Fiscal Year	\$30,400.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Independent audit services

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27.	Vendor Name	Metropolitan Life Insurance Company	Address Line1	200 Park Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
	Award Date	5/1/2024	State	NY
	End Date	4/30/2025	Postal Code	10166
	Fair Market Value	\$13,047.55	Plus 4	
	Amount	\$13,047.55	Province/Region	
	Amount Expended For Fiscal Year	\$13,047.55	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Group term life insurance, long-term disability insurance and accidental death insurance for employees

28.	Vendor Name	Michigan Street Development, LLC	Address Line1	701 Seneca Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14210
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$165,854.92	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Conference room expansion in leased office space

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29.	Vendor Name	Michigan Street Development, LLC	Address Line1	701 Seneca Street
	Type of Procurement	Other	Address Line2	Suite 200
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	12/1/2023	State	NY
	End Date	7/31/2027	Postal Code	14210
	Fair Market Value	\$584,125.64	Plus 4	
	Amount	\$584,125.64	Province/Region	United States
	Amount Expended For Fiscal Year	\$159,316.96	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Rent for offices at 95 Perry Street

30.	Vendor Name	New York State Economic Development Council (NYSEDC)	Address Line1	111 Washington Avenue
	Type of Procurement	Other	Address Line2	4th Floor
	Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
	Award Date		State	NY
	End Date		Postal Code	12210
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$12,475.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorships for events (\$6,000), membership dues (\$2,300), event registrations (\$4,175)

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31. Vendor Name	On the Mark Consulting, LLC	Address Line1	288 Ranch Trail Drive
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
Award Date	1/3/2024	State	NY
End Date	4/10/2024	Postal Code	14221
Fair Market Value	\$5,075.00	Plus 4	
Amount	\$5,075.00	Province/Region	
Amount Expended For Fiscal Year	\$5,075.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Staff training materials and workshop

32. Vendor Name	Philadelphia Insurance Companies	Address Line1	P.O. Box 70251
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
Award Date	12/31/2022	State	PA
End Date	3/1/2024	Postal Code	19176
Fair Market Value		Plus 4	
Amount	\$11,700.62	Province/Region	
Amount Expended For Fiscal Year	\$11,700.62	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	General liability insurance, municipal package insurance for 1/1/24-3/1/24

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33.	Vendor Name	Print2Web, LLC	Address Line1	25 John Glenn Drive, Suite 102
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	AMHERST
	Award Date		State	NY
	End Date		Postal Code	14228
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$12,520.00	Country	
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2023 Annual Report graphic design and printing (\$6,850), 2025 calendars (\$6,070)

34.	Vendor Name	Steelcase, Inc.	Address Line1	PO Box 1967
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Purchased Under State Contract	City	GRAND RAPIDS
	Award Date		State	MI
	End Date		Postal Code	49501
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$9,395.32	Country	
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Chairs, white boards, table bases

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35.	Vendor Name	The Hartford	Address Line1	PO Box 660916
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	DALLAS
	Award Date	3/1/2024	State	TX
	End Date	3/1/2025	Postal Code	75266
	Fair Market Value		Plus 4	
	Amount	\$61,484.00	Province/Region	United States
	Amount Expended For Fiscal Year	\$61,484.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Commercial package insurance for 3/1/24-3/1/25

36.	Vendor Name	Travelers	Address Line1	PO Box 660317
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	DALLAS
	Award Date	12/29/2023	State	TX
	End Date	12/29/2024	Postal Code	75266
	Fair Market Value		Plus 4	
	Amount	\$5,372.00	Province/Region	United States
	Amount Expended For Fiscal Year	\$5,372.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Crime insurance for 12/29/23-12/29/24

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37.	Vendor Name	W.B. Mason Co., Inc.	Address Line1	P.O. Box 981101
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BOSTON
	Award Date		State	MA
	End Date		Postal Code	02298
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$13,151.16	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Office supplies

38.	Vendor Name	W.H. Green & Associates	Address Line1	400 Quaker Road
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	EAST AURORA
	Award Date	3/1/2024	State	NY
	End Date	3/1/2025	Postal Code	14052
	Fair Market Value		Plus 4	
	Amount	\$33,852.00	Province/Region	
	Amount Expended For Fiscal Year	\$33,852.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Umbrella and second excess liability coverage for 3/1/24-3/1/25

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39.	Vendor Name	Wardour Restoration Inc.	Address Line1	190 Gruner Road
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	7/2/2024	State	NY
	End Date		Postal Code	14227
	Fair Market Value	\$14,917.27	Plus 4	
	Amount	\$14,917.27	Province/Region	
	Amount Expended For Fiscal Year	\$14,917.27	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Water damage cleanup at 143 Genesee St.

40.	Vendor Name	Wendel WD Architecture, Engineering, Surveying & Landscape Architecture, PC	Address Line1	375 Essjay Road
	Type of Procurement	Consulting Services	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	WILLIAMSVILLE
	Award Date	9/20/2022	State	NY
	End Date		Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$69,500.00	Province/Region	
	Amount Expended For Fiscal Year	\$40,525.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting services related to Smokes Creek Passive Recreational Area conceptual alternatives

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Additional Comments



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Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	https://www.ecidany.com/about-us-corporate-policies
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

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Procurement Transactions Listing:

1.	Vendor Name	Erie County IDA	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$300,327.44	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services, rent, and expense reimbursement.
2.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	12/1/2027	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$25,005.21	Province/Region	United States
	Amount Expended For Fiscal Year	\$25,005.21	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services related to lending activity.

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3.	Vendor Name	Lumsden McCormick, LLP	Address Line1	369 Franklin Street
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	9/28/2022	State	NY
	End Date	6/30/2025	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$16,900.00	Province/Region	
	Amount Expended For Fiscal Year	\$16,900.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Independent audit services.

Additional Comments



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Procurement Information:

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	https://www.ecidany.com/about-us-corporate-policies
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

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Procurement Transactions Listing:

1.	Vendor Name	19 Ideas, Inc.	Address Line1	32C Essex Street
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	8/8/2024	State	NY
	End Date		Postal Code	14213
	Fair Market Value	\$5,000.00	Plus 4	
	Amount	\$5,000.00	Province/Region	
	Amount Expended For	\$5,000.00	Country	United States
	Fiscal Year		Procurement Description	Creative services to establish a new logo for the Erie County Agribusiness Park.
	Explain why the Fair Market Value is Less than the Amount			
2.	Vendor Name	Conway Data, Inc.	Address Line1	6625 The Corners Parkway, Suite 200
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	NORCROSS
	Award Date		State	GA
	End Date		Postal Code	30092
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$5,000.00	Country	United States
	Fiscal Year		Procurement Description	Renaissance Commerce Park ad in Site Selection magazine
	Explain why the Fair Market Value is Less than the Amount			

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3.	Vendor Name	E & R General Construction Inc.	Address Line1	38 Saint David's Drive
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	WEST SENECA
	Award Date	4/27/2022	State	NY
	End Date		Postal Code	14224
	Fair Market Value		Plus 4	
	Amount	\$2,000,994.60	Province/Region	
	Amount Expended For Fiscal Year	\$412,392.18	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction of 1,550 feet of new roadway ("Road B") at Renaissance Commerce Park.

4.	Vendor Name	Erie County Industrial Development Agency	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$59,174.92	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services, expense reimbursement.

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5.	Vendor Name	Foit Albert Associates	Address Line1	295 Main Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	7/28/2021	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$373,659.10	Province/Region	
	Amount Expended For Fiscal Year	\$59,811.60	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Engineering, design, and resident engineering services for the construction of new road ("Road B") at Renaissance Commerce Park.

6.	Vendor Name	Foit Albert Associates	Address Line1	295 Main Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/26/2022	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$329,514.75	Province/Region	
	Amount Expended For Fiscal Year	\$44,929.56	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Engineering, design, and resident engineer services for the construction of new roadways extending into Renaissance Commerce Park from the existing Ridge Road and/or Odell Street.

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7. Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/12/2009	State	NY
End Date	12/1/2027	Postal Code	14210
Fair Market Value		Plus 4	
Amount	\$61,903.23	Province/Region	United States
Amount Expended For Fiscal Year	\$61,903.23	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services (ILDC General Counsel) based on hourly rates.

8. Vendor Name	LaBella Associates PC	Address Line1	300 State Street
Type of Procurement	Consulting Services	Address Line2	Suite 201
Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
Award Date	8/28/2019	State	NY
End Date		Postal Code	14614
Fair Market Value		Plus 4	
Amount	\$5,250.00	Province/Region	United States
Amount Expended For Fiscal Year	\$5,250.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual BCP certification and annual PRR report.

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9. Vendor Name	Lackawanna City Treasurer	Address Line1	714 Ridge Road
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	LACKAWANNA
Award Date		State	NY
End Date		Postal Code	14218
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$79,963.49	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	City of Lackawanna sewer tax for the Renaissance Commerce Park property.

10. Vendor Name	Lumsden McCormick, LLP	Address Line1	369 Franklin Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date	6/30/2025	Postal Code	14202
Fair Market Value		Plus 4	
Amount	\$6,200.00	Province/Region	United States
Amount Expended For Fiscal Year	\$6,200.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Independent audit services

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Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
 Status: UNSUBMITTED
 Certified Date : N/A

11. Vendor Name	Pinto Construction Services, Inc.	Address Line1	132 Dingens Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date		Postal Code	14206
Fair Market Value		Plus 4	
Amount	\$6,434,879.74	Province/Region	
Amount Expended For Fiscal Year	\$1,518,820.09	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction of sewer and water line extensions at Renaissance Commerce Park

12. Vendor Name	Wendel	Address Line1	375 Essjay Road
Type of Procurement	Consulting Services	Address Line2	Suite 200
Award Process	Authority Contract - Competitive Bid	City	WILLIAMSVILLE
Award Date	12/16/2020	State	NY
End Date		Postal Code	14221
Fair Market Value		Plus 4	
Amount	\$445,973.00	Province/Region	
Amount Expended For Fiscal Year	\$71,163.22	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Erie County Agribusiness Park Master Plan/GEIS

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2024

Run Date: 02/19/2025
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments

**Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corporation
Buffalo & Erie County Industrial Land Development Corporation**

Investment Reports

For the year ended December 31, 2024

**Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corp. (RDC)
Buffalo & Erie County Industrial Land Development Corp. (ILDC)**

2024 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, the ECIDA and its affiliates (RDC & ILDC) are required to prepare and approve an annual Investment Report. The investment report is to include: ECIDA's Investment Guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2024 and were approved by the Board of each corporation on March 26, 2025.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, the ECIDA and its affiliates are required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the corporation. In addition, the ECIDA is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law. The ECIDA's affiliates have elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice."

The Investment Guidelines were approved by the Board of each corporation on March 26, 2025 and are posted on the ECIDA website at <https://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines for the ECIDA and its affiliates are consistent with the prior Guidelines adopted on March 27, 2024.

Investment Audit:

The auditors for the ECIDA and its affiliates have audited the corporations' compliance with the Investment Guidelines for Public Authorities. In their report dated March 20, 2025, Lumsden McCormick LLP indicated that the Agency complied, in all material respects, with these Investment Guidelines.

Erie County Industrial Development Agency (ECIDA)
 Annual Investment Report
 For the year ended December 31, 2024

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec. 2024	Investment Income	Fees	Restricted	Purpose
		1/1/2024	G/L Balance 12/31/2024					
Deposit Accounts								
1 Checking	M&T Bank	\$ 662,215	\$ 618,966	0.50%	\$ 1,658	-		General ECIDA account
2 Savings	M&T Bank	6,814,652	2,132,705	2.25%	148,326	-		General ECIDA account
3 Checking	M&T Bank	11,709	11,790	0.50%	80	-	✓	ECIDA UDAG Fund account
4 Savings	M&T Bank	6,220,456	2,577,627	2.25%	156,705	-	✓	ECIDA UDAG Fund account
5 Checking	M&T Bank	260,883	241,139	0.50%	1,215	-	✓	Restricted account for Erie County shortline railroad related activities
6 Savings	M&T Bank	231,550	39,318	2.25%	2,468	-	✓	Restricted account for Buffalo Brownfield Redevelopment Fund
7 Savings	M&T Bank	1,624,407	680,012	2.25%	34,572	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	3,774,971	1,653,965	2.25%	90,615	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	3,086,042	1,008,787	2.25%	68,894	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
10 Savings	M&T Bank	794,606	1,365,072	2.25%	33,593	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District.
Obligations of the United States								
11 U.S. Treasury Bills	Wilmington Trust	-	3,999,364	4.31%	86,520	-		ECIDA General Fund
12 U.S. Treasury Bills	Wilmington Trust	-	3,999,262	4.36%	68,017	-	✓	ECIDA UDAG Fund
13 U.S. Treasury Bills	Wilmington Trust	-	-	n/a	-	-	✓	Restricted account for Buffalo Brownfield Redevelopment Fund
14 U.S. Treasury Bills	Wilmington Trust	-	999,567	4.36%	27,302	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
15 U.S. Treasury Bills	Wilmington Trust	-	2,999,695	4.36%	61,315	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
16 U.S. Treasury Bills	Wilmington Trust	-	2,499,415	4.36%	47,653	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
17 U.S. Treasury Bills	Wilmington Trust	-	-	n/a	-	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District.
		\$23,481,492	\$24,826,683		\$ 828,933	\$ -		

Notes:

^a Interest Rate for the month of December 2024 and prior to the deduction of any fees.

Buffalo & Erie County Regional Development Corporation (RDC)
 Annual Investment Report
 For the year ended December 31, 2024

Account Type	Financial Institution	G/L Balance		G/L Balance 12/31/2024	Interest Rate ^a Dec 2024	2024		Restricted	Purpose
		1/1/2024	12/31/2024			Investment Income	Fees		
1 Checking	M&T Bank	\$ 787,839	\$ 880,495	\$ 880,495	0.50%	\$ 4,017	\$ -	✓	Legacy Loan Fund
2 Savings	M&T Bank	2,259,962	2,801,403	2,801,403	2.00%	99,932	-	✓	Legacy Loan Fund
3 U.S. Treasury Bills	Wilmington Trust	-	2,999,695	2,999,695	4.36%	61,315	-	✓	Legacy Loan Fund
4 Checking	M&T Bank	956,922	155,968	155,968	0.50%	3,447	-	✓	EDA CARES Act Loan Fund
5 Savings	M&T Bank	-	1,668,464	1,668,464	2.00%	18,464	-	✓	EDA CARES Act Loan Fund
		<u>\$ 4,004,723</u>	<u>\$ 8,506,025</u>	<u>\$ 8,506,025</u>		<u>\$ 187,177</u>	<u>\$ -</u>		

Notes:

a Interest Rate for the month of December 2024 and prior to the deduction of any fees.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)
Annual Investment Report
For the year ended December 31, 2024

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2024	2024		
		1/1/2024	12/31/2024		Investment Income	Fees	Restricted Purpose
1 Checking	M&T Bank	\$ 86,696	\$ 187,290	0.50%	\$ 660	\$ -	√ Erie County BDF Microenterprise Loan account ^b
2 Checking	M&T Bank	320,649	578,253	0.50%	1,755	-	General ILDC checking account
3 Checking	M&T Bank	-	2,906,493	0.50%	8,126	-	Imprest account for Empire State Development grant ^b
		<u>\$ 407,345</u>	<u>\$ 3,672,036</u>		<u>\$ 10,541</u>	<u>\$ -</u>	

Notes:

^a Interest Rate for the month of December 2024 and prior to the deduction of any fees.

^b Investment income earned is remitted to grantor in accordance with agreements.

**Erie County Industrial Development Agency (“ECIDA”), Buffalo
and Erie County Regional Development Corporation (“RDC”) and
Buffalo and Erie County Industrial Land Development Corporation
 (“ILDC”)**

INVESTMENT AND DEPOSIT POLICY

ARTICLE I

Scope

Section 2925 of the Public Authorities Law requires the Erie County Industrial Development Agency (the “Agency”) and its affiliates to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Agency.

In addition to the requirements set forth in Section 2925 of the Public Authorities Law, the Agency is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law, which govern the deposit and investment of funds for the Agency’s own use and account.

This investment and deposit policy (“Investment Policy”) is adopted by the Agency pursuant to the foregoing provisions of the Public Authorities Law and General Municipal Law and shall apply to all moneys and other financial resources available for investment on the Agency’s own behalf or, where applicable, on behalf of any other entity or individual.

This Investment Policy shall be applicable to the Erie County Industrial Development Agency and all of its affiliates, including: Buffalo and Erie County Regional Development Corporation (“RDC”); Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) and such other affiliates as may hereafter be established by the Agency and which are determined to be subject to the requirements of Section 2925 of the Public Authorities Law (an “ECIDA Affiliate”) (hereinafter collectively referred to as the “Agency”) upon approval by the respective Boards of each corporation. Unless otherwise indicated, all references to the “Agency” herein shall also include the ECIDA Affiliates.

This Investment Policy is not intended to restrict the normal business activities of the Agency, which include the making of loans to, equity investments in, and/or project expenditures in private companies in furtherance of the corporate purposes of the forgoing entities.

ARTICLE II
Governing Principles

A. Investment Objectives.

The primary objectives of the Agency's investment policy are, in order of priority, as follows: (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Agency; and (iv) to obtain a reasonable rate of return.

B. Diversification.

As the Agency is subject to the deposit and investment restrictions set forth in Sections 10 and 11 of the General Municipal Law, the opportunity to diversify among types of investments is limited. Subject to these legal restraints, however, the policy of the Agency is to diversify by investment instrument, by maturity and where practicable by financial institution.

C. Internal Controls.

1. All funds received by an officer or employee of the Agency shall be promptly deposited with the depositories designated by the Agency (pursuant to Article III.A of this Investment Policy) for the receipt of such funds.

2. Pursuant to Section 11(7) of the General Municipal Law, the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Agency for investment and deposit purposes. Such record shall identify the security, the fund for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.

3. The Agency is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers.

The Agency shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the Agency conducts business must be creditworthy as determined by criteria established by the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency. All banks with which the Agency does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Security dealers not affiliated with a bank

shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

E. Purchase of Investments.

The Agency may contract for the purchase of investments directly, including through a repurchase agreement, from an authorized trading partner. All purchased obligations, unless registered or inscribed in the name of the Agency, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company shall be held pursuant to a written custodial agreement as described in Article IV.C.2 of this Policy.

F. Repurchase Agreements.

The Agency may enter into repurchase agreements subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to commercial banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitution of securities will be allowed.
5. Obligations purchased pursuant to a repurchase agreement shall be held by a custodian other than the trading partner, pursuant to a written custodial agreement that complies the terms of Article IV.C.2 of this Policy.

ARTICLE III
Investments

A. General Policy.

It is the general policy of the Agency that funds not required for immediate expenditure shall be invested as described in Article III.B below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income, net of fees, to be derived.

B. Permitted Investments.

The Treasurer, Assistant Treasurer, Chief Financial Officer and/or Controller are authorized to invest funds not required for immediate expenditure in the following investments permitted under Section 11 of the General Municipal Law:

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Article IV.B of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
2. Obligations of the United States of America;
3. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
4. Obligations of the State of New York; and
5. Such other obligations as may be permitted under Section 11 of the General Municipal Law.

All investments as provided in Sections B(2) through B(5) of this Article shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

ARTICLE IV
Deposits

A. Designation of Depositories.

The Agency shall, by resolution, designate one or more commercial banks or trust companies for the deposit of Agency funds received by the Agency. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changed at any time by further resolution of the Agency.

B. Collateralization of Deposits.

In accordance with Section 10 of the General Municipal Law, all deposits of the Agency (including certificates of deposit and special time deposits) in excess of the amount

insured under the provisions of the Federal Deposit Insurance Act shall be secured as follows:

1. By a pledge of “eligible securities” with an aggregate “market value” as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits. A list of eligible securities is attached hereto as Schedule A.

2. By an irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited or invested) in favor of the Agency for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable minimum risk-based capital requirements.

3. By an eligible surety bond payable to the Agency for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety bond shall be subject to Agency Board approval.

4. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the amount of deposits from all such officers within the State at such bank or trust company, together with a security agreement from the bank or trust company.

5. By an irrevocable letter of credit issued in favor of the Agency by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100% of the aggregate amount of the deposits and the agreed upon interest, if any.

C. Safekeeping and Collateralization.

Eligible securities used for collateralizing deposits shall be held by the depository and/or third party bank or trust company subject to security and custodial agreements as described below.

1. Security Agreement Requirements. The security agreement shall provide that eligible securities are being pledged to secure Agency deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the Agency to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Agency, such securities shall be delivered in a form suitable for

transfer or with an assignment in blank to the depository or its custodial bank.

2. Custodial Agreement Requirements. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Agency, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities and may include such other terms as the Agency Board deems necessary.

ARTICLE V

Monitoring and Reporting Obligations

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring.

Each cash and investment account statement will be reviewed and reconciled on a monthly basis. The Treasurer, Assistant Treasurer, Chief Financial Officer or Controller will review each account reconciliation for accuracy and will investigate any unusual items noted.

B. Monitoring and Reporting.

Pursuant to Section 2925(5) of the Public Authorities Law, the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency shall present a report at each meeting of the Agency Board of Directors which will include the following information: (i) the cash and investment balances of the Agency; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents dealers or auditors since the last report; and (iv) the names of the financial institutions holding Agency deposits;.

C. Annual Monitoring and Reporting.

1. On an annual basis, the Agency will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Agency's compliance with this Investment Policy. The results of the independent audit shall be made available to the Agency Board at the time of its annual review of this Investment Policy.

2. Pursuant to Section 2925(6) of the Public Authorities Law, Agency staff shall, on an annual basis, prepare and submit for Agency Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last

investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Agency and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Agency since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7)(b) of the Public Authorities Law. The Agency shall make available to the public copies of its investment report upon reasonable request therefor.

ARTICLE VI
Annual Review

This Investment Policy shall be reviewed and approved by the Agency Board of Directors on an annual basis.

ARTICLE VIII
Savings Clause

Nothing contained in Section 2925 of the Public Authorities Law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Agency in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

Re-adopted this 26th day of March 2025 by the respective Boards of each corporation referenced above.

SCHEDULE A
ELIGIBLE SECURITIES

Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested), rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

Zero Coupon obligations of the United States government marketed as "Treasury STRIPS".

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County
Regional Development Corporation (RDC), and Buffalo and Erie County
Industrial Land Development Corporation (ILDC)**

2024 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency’s independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 1/9/24, 2/22/24, 3/21/24, 8/20/24, and 9/17/24.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
<p>6. Did the Finance & Audit Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Establish procedures for the engagement of the independent auditors to provide permitted audited services?</p> <p>(c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency?</p> <p>(e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In March 2024, Lumsden McCormick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/23. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/21/24 meeting. The March 2024 audit reports did not identify any internal controls or material weaknesses.</p>
<p>8. Did the Finance & Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/27/24.</p>
<p>9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/21/24, the Committee received an article entitled, "Audit Committees: So Much More Than Financial Statement Oversight" published by the Deloitte Center for Board Effectiveness.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/27/24, the Audit & Finance Committee reported on its activities to the ECIDA Board of Directors. These activities included the: (1) Audit & Finance Committee self-evaluation; (2) Audit & Finance Committee Charter; (3) draft 2023 financial statements audited by Lumsden McCormick; (4) Corporate Credit Card Policy; (5) 2023 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2023 Investment Report.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 1/9/24 meeting, the Committee discussed the 2023 audit plan with Lumsden McCormick.
- During its 2/22/24 meeting, the Committee recommended a taxable bond issuance for D'Youville University.
- During its 3/21/24 meeting, the Committee reviewed drafts of the 2023 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2023 PAAA Annual Report, 2023 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, the 2023 Finance & Audit Self-Evaluation, 2023 Management's Assessment of Internal Controls, and Corporate Credit Card Usage Report.
- During its 8/20/24 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts.
- During the 9/17/24 meeting, the Committee reviewed updated drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee approved a motion to forward the respective budgets to the Boards of each entity for approval.



Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corporation
Buffalo & Erie County Industrial Land Development Corporation

2024 Assessment of the Effectiveness of Internal Controls

Management of the Erie County Industrial Development Agency (ECIDA), Buffalo & Erie County Regional Development Corporation (RDC) and Buffalo & Erie County Industrial Land Development Corporation (ILDC) is responsible for establishing and maintaining adequate internal controls over financial reporting. The accounting, financial reporting and cash management functions rely on a system of controls outlined in the entities' Financial Policies & Procedures documentation. Internal controls are reviewed continuously, and adjustments are made as needed. Examples of key internal controls are:

- Payroll: The ECIDA's payroll is processed by a third-party processor, Bene-Care Payroll, LLC. The CFO and Bookkeeper verify that payments are only made to employees that are entitled to be paid. The RDC and ILDC have no direct employees, therefore there is no payroll. As a service organization Bene-Care Payroll, LLC. undergoes a Service Organization Controls (SOC) audit each year. Their most recent SOC audit asserts that the internal controls in place at Bene-Care Payroll, LLC are suitably designed and operating as intended to provide reasonable assurance that control objectives were achieved.
 - Risk = Low
- Cash Disbursements: Disbursements are made primarily by check and wire transfer. Invoices require approval (physical or email) by the purchaser prior to payment. Invoices are reviewed by the Accounting Manager prior to processing by the Bookkeeper. Two signatures are required on all checks (CEO, VP, CFO or Assistant Treasurer). All wire transfers require dual approval. The CFO retrieves and reviews all bank statements and approves all bank reconciliations. Reverse positive pay is used to verify all check disbursements when presented for payment. Only Finance Department staff have access to online banking sites.
 - Risk = Low
- Cash Receipts: Checks received are logged by the Receptionist and forwarded to the Accounting Manager. The Accounting Manager stamps checks "for deposit only", codes the checks and prepares deposits. The Bookkeeper deposits checks at the bank. The CFO reviews and initials deposit slips and deposit receipts and verifies proper account coding. The Bookkeeper records deposits in the general ledger software. Wire/ACH receipts are reviewed and coded by the CFO or Accounting Manager and are recorded in the general ledger software by the Bookkeeper.
 - Risk = Low

All computers are password protected and require multi-factor authentication to log in. General ledger software is separately password protected. Access to the general ledger software is restricted to the CFO, Accounting Manager and Bookkeeper.

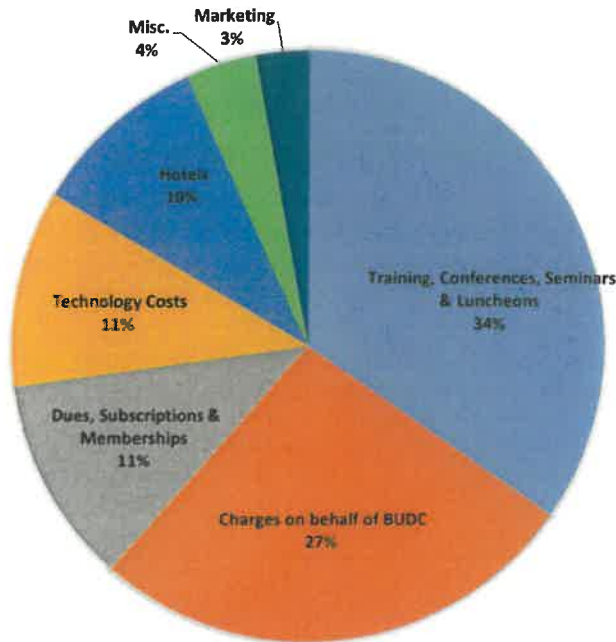
The ECIDA, RDC and ILDC undergo annual financial statement audits by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an audit of internal controls, the auditors do review and test internal controls as part of their audit procedures. There have been no material weaknesses or significant deficiencies in internal controls nor other management letter recommendations noted by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives in preventing and detecting errors and irregularities.

This statement certifies that the Erie County Industrial Development Agency, Buffalo & Erie County Regional Development Corporation and Buffalo & Erie County Industrial Land Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2024. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Erie County Industrial Development Agency
Summary of Charges to Corporate Credit Card
 For statement period 3/6/2024 to 2/23/25

Training, Conferences, Seminars & Luncheons	\$ 10,491
Charges on behalf of BUDC	8,128
Dues, Subscriptions & Memberships	3,432
Technology Costs	3,254
Hotels	2,932
Misc.	1,167
Marketing	886
	<u>\$ 30,289</u>





Center for Board Effectiveness

On the Audit Committee's Agenda

Looking ahead to 2025

Serving on an audit committee in 2025 might be daunting even if the committee could be assured that it would not have to take on any added responsibilities in the new year. After all, even the most basic perennial responsibilities of audit committees, such as overseeing the audit of the financial statements and compliance with financial reporting requirements, are far from routine. However, no such assurance is likely to be forthcoming. In fact, as audit committees contemplate the onset of a new year, the number and complexity of new issues and concomitant responsibilities seem likely to grow.

Moreover, 2025 may be a particularly busy year. With the change in administration, we could see significant changes in regulatory priorities, financial reporting, and corporate governance. Additionally, the increasing use of generative artificial intelligence (GenAI), ongoing cybersecurity threats, and a renewed focus on enterprise risk management at a time of geopolitical uncertainty will likely keep audit committees busy. And, to the extent that companies face unanticipated risks and challenges, it seems almost inevitable that audit committees will be viewed as the default "home" for such developments.

Given this background, audit committees would be well advised to consider a wide variety of continuing and emerging issues that they may need to deal with in 2025, bearing in mind that a complete list of such issues would be far longer than can be addressed in this publication.

Regulation

A complicating factor—uncertainty

The shift in administration will almost certainly bring changes in regulatory priorities. While we won't know specifics until the presumptive nominee to become the new Securities and Exchange Commission (SEC) chair, Paul Atkins, is confirmed and lays out the Commission's agenda, we can speculate about what may happen.

Given statements President-elect Trump has already made about his regulatory priorities, it seems clear they are likely to differ from the Biden administration, aiming to reduce what it perceives as burdensome regulations on businesses. There is still uncertainty as to which specific rules may be changed. Additionally, the SEC's new chair will likely have his own areas of regulatory focus that companies will need to consider going forward.

Regardless of the changes introduced by the new administration, the SEC and the Public Accounting Oversight Board (PCAOB) will still be responsible for overseeing the capital markets and the audits of public companies. Audit committees should continue to focus on their responsibilities, while also watching for regulatory developments that could affect their activities.

The SEC

While SEC rulemaking activities appeared to diminish toward the end of 2024, several significant rules were adopted earlier in the year that will require audit committee involvement in 2025 and beyond, including rules regarding climate-related disclosures and the use of projections in disclosures. The process of overseeing compliance with new rules has been complicated by the change in administration and increased judicial challenges to SEC rulemaking.

For example, the climate-related disclosures referred to above led to litigation that resulted in those rules being put on hold. This edition of Deloitte's *Heads Up* includes more information on this. Given the pending litigation and statements made by President-elect Trump about his regulatory priorities, it is far from clear whether or when the rules will take effect.



However, companies may not be in a position to put off developing and implementing the controls needed to comply with the rules, even if they believe that the rules may never take effect or may differ from the rules originally adopted. Additionally, companies need to consider other climate-related rules they may need to comply with, including the EU Corporate Sustainability Directive and the California state senate bill SB-219.

In addition, the SEC has more rulemaking on its current published agenda, including consideration of disclosure requirements pertaining to human capital management, payments by resource extraction companies, and board diversity. While some of these and other rulemaking initiatives will not directly affect financial reporting or internal controls, the mere fact that they involve disclosure suggests that some audit committee oversight may be required. The audit committee should keep an eye on the SEC's rulemaking agenda, as it is likely to evolve once the new chair is confirmed.

Finally, SEC enforcement activity has been significant throughout the year, with a particular emphasis on internal controls and disclosure controls, areas for which audit committees have significant, direct responsibility. Notably, the SEC Enforcement Division has imposed cease-and-desist orders and civil monetary penalties for internal and disclosure control failures, even in cases where no disclosure deficiency was found. It will be important to audit committees to stay apprised of the new SEC chair's priorities to understand where enforcement actions may be focused in the coming months and years ahead.



The PCAOB

The PCAOB, created as part of the Sarbanes-Oxley Act, has launched an initiative to modernize audit standards. Similar to the SEC, we expect that the priorities of the PCAOB may shift under the Trump administration once the new SEC chair is confirmed because of the SEC's role in overseeing the PCAOB.

One of the PCAOB's most significant initiatives over the past year was the proposed new auditing standard called "Non-Compliance with Laws and Regulations," often referred to as "NOCLAR." In November 2024, the PCAOB moved this standard from 2024 to 2025 on its published agenda and issued staff guidance outlining the existing responsibilities of auditors to detect, evaluate, and communicate about illegal acts. In a public statement, the PCAOB indicated it will continue engaging with stakeholders, including the SEC, as it determines potential next steps for NOCLAR. Audit committees should continue to watch for developments in this area as they maintain oversight of compliance matters.

Audit committees should also proactively engage with their independent auditors regarding their specific inspection results, as applicable, as well as the overall inspection results of the firm, as communicated in PCAOB reports. The PCAOB periodically publishes overviews of findings that highlight deficiencies such as non-compliance with PCAOB standards and rules; insufficient testing of estimates, data, and reporting used to support audit conclusions; and other quality control criticisms. Criticisms of these inspections range from their reliance upon non-standard criteria, to the manner in which inspection reports are disseminated to and accessible by the public, to concerns that the inspection process has led some audit firms to manage inspection risk at the expense of audit quality. Audit committees should also make sure disclosures about auditor selection and oversight in the annual proxy statement provide adequate information to investors and other stakeholders.

While the PCAOB may experience shifts in its regulatory approach under a new administration, maintaining audit quality will remain critical, and audit committees will continue to play an important role.

Technology

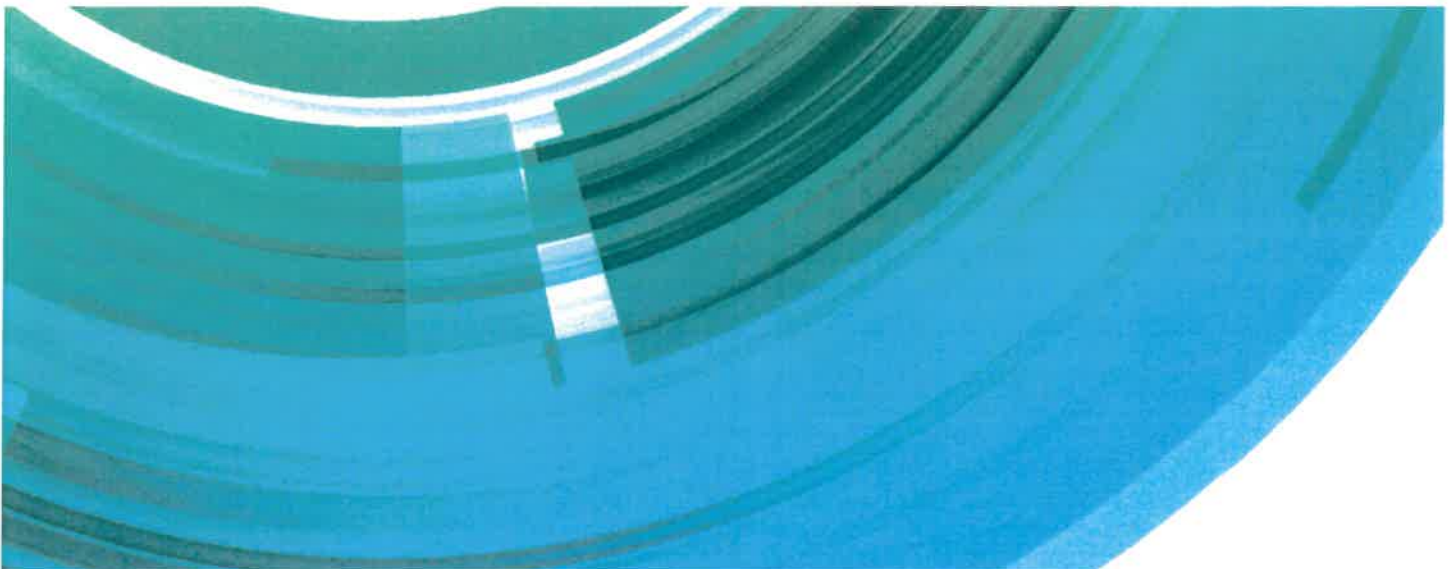
No discussion of audit committee activities in 2025 would be complete without a discussion of technology, from the impact of GenAI to the continuing threat of cybersecurity incidents, and beyond.

Artificial intelligence (AI) and GenAI

AI and GenAI seem to be the "bright, shiny objects" of the day, raising a broad array of questions for boards broadly, as well as audit committees. While still evolving, both AI and GenAI have already influenced many areas for which audit committees have responsibility, such as risks associated with their use and their functionality and reliability for financial reporting and internal control purposes. Additionally, internal audit and finance organizations are using or exploring the use of AI to create efficiencies within their organizations, which are, in turn, affecting talent.

Given the newness of some of these topics, oversight at the board level hasn't been fully defined in all organizations, with many still trying to decide if the full board or a specific committee should have primary oversight of it. Regardless of where oversight falls, the audit committee will still likely play a role when considering its use in the internal audit and finance organizations.

These and other aspects of GenAI oversight will need to be considered in an uncertain regulatory environment and at the same time that audit committees are continuing to learn about the capabilities and risks associated with GenAI—somewhat like building a plane while flying it.



Cybersecurity

Cybersecurity has been a key topic on audit committee and board agendas for several years, and it remains a top priority. There are several reasons for this, including the proliferation of breaches, the extent to which nation-state actors have become more active hackers, the greater consequences of a breach or a ransomware attack, and the regulatory environment—specifically, the timing and extent of disclosure mandated by SEC rules adopted in 2023.

Oversight responsibility for cybersecurity typically resides with the audit committee, presumably as a component of the audit committee's role vis-à-vis risk. Although some companies have created board-level committees to oversee technology, their number is small—only 17% of the S&P 500¹—and it is not clear how many of those committees actually oversee cybersecurity risk as opposed to overseeing the implementation and use of technology generally.

Regardless of where oversight for cybersecurity risk falls, boards and audit committees should continue to focus on this risk, especially considering the current geopolitical environment. Directors should understand the threat landscape, as well as the policies, procedures, and technologies management has in place to prevent, detect, and respond to cybersecurity threats.

Enterprise risk management

Similar to cybersecurity, enterprise risk management, or ERM, has been “around” for quite a while, and we see a majority of audit committees having responsibility for overseeing it. However, experience suggests that many audit committees are taking a fresh look at their companies' ERM programs to assess that they remain effective. The impetus for the fresh look may be the proliferation of new risks (such as those associated with GenAI), increased risks of various types (such as geopolitical risk), the complexity and increased interrelationships of various risks, or perhaps just the realization that long-standing ERM programs may become stale or perfunctory if not refreshed from time to time.

Whatever the reason, audit committees are more frequently considering the following questions, among others, in evaluating their ERM programs:

- While ERM oversight is clearly in the audit committee's wheelhouse, can other committees (or the full board) play greater roles in the program? For example, some companies have followed a “distributed risk” model, in which each board committee is assigned responsibility for oversight of certain risk areas. In some cases, the assignment is formal to the point of being specifically mentioned in the committee charters.

- Is the ERM program working? Have there been instances in which unanticipated risks arose or were significantly greater in magnitude than anticipated?
- Where do emerging risks reside, and what is the process for considering them? For example, is the list of key risks reviewed frequently enough?
- Are there any existing or new tools (such as GenAI) that can improve the ERM process and help identify risks that may be coming down the road?

In addition, an audit committee might consider revisiting the ERM program on a regular, periodic basis to satisfy itself that management is continuously refreshing the program. And, given the pace of change and the proliferation in and growth of risks, a quarterly review, rather than an annual one, may be prudent.

Audit committee effectiveness

Given the number and importance of their responsibilities, audit committees would be well advised to consider how they could be more efficient and effective. Tools such as prioritizing critical items on meeting agendas, the use of “consent” agendas (in which routine matters can be acted upon by consent with little or no discussion), and other time optimization techniques are a good start. Other initiatives could include more careful consideration as to which matters properly reside with the audit committee and, in appropriate circumstances, pushing back on responsibilities that others seek to place on the audit committee agenda.

Interestingly, while audit committees spend significant amounts of time addressing the use and risks of technology (including GenAI), there is little evidence that they or the boards of which they are a part have employed technology to help make them more effective. This is one area in which GenAI may provide some help.

Additionally, the need for ever-greater effectiveness and efficiency is likely to place more responsibility on the committee chair, who will need to take the lead on the approaches outlined above and to build a consensus on innovations such as the use of technology to enhance committee effectiveness.

The topics discussed in this edition of *On the Audit Committee's Agenda* represent a small portion of the audit committee's responsibilities, but they illustrate that none of those responsibilities can be dismissed or minimized, despite the seemingly constant addition of new issues and priorities. Those new matters also suggest that audit committees need to be vigilant about their composition and leadership through succession planning and robust self-assessment to ensure they have effective and efficient representation at the table to address the committee's critical tasks.

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